

**Press review:
Mining in the South Pacific**

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Abbreviations in common use:

BCL: Bougainville Copper Limited

LNG: Liquid Natural Gas

PIR: Pacific Islands Report

PNG: Papua New Guinea

Websites:

Radio New Zealand: <http://www.radionz.co.nz/international>

PNG Post-Courier: <http://postcourier.com.pg/>

PNG National: <http://www.thenational.com.pg/>

New Caledonia - mining

Radio New Zealand, 27 February 2023

The Kouaoua mining site of New Caledonia's SLN nickel company remains blockaded over its re-structure. Three of the four unions at the site have been on strike since last Wednesday, claiming there haven't been proper discussions about the proposed cut of 53 jobs. Two weeks ago, SLN secured an \$US43 million emergency loan from the French state to stave off insolvency, after using up a \$600 million loan given in 2016. SLN said the strike was outside any legal framework as all changes being put in place have been discussed in numerous meetings.

Barker: Resolve Porgera tax issue

BY DALE LUMA, Post-Courier, 23 February 2023

The Porgera tax issue must be resolved quickly for the multi-billion kina Porgera gold mine in Enga Province to restart, Institute of National Affairs (INA) executive director, Paul Barker said. He said

it is being called a legacy issue, but is being carried forward to the present and a sticking point, jeopardising the prospects of the major investment in restoring the mine from proceeding. He said the need now is to restore the 3000 jobs lost and economic activity in the valley that was unnecessarily halted in mid-2020. “The issue is not simple, but subject to different legal interpretation,” Mr Barker said. “The Internal Revenue Commission may have a legal justification for their position going back to early directions by government.

On the other hand, the interpretation and application by all the mines seems consistent with the approach taken by PJV. “The issue needs to be addressed promptly, as an extended court dispute will invariably influence whether, and defer the day the project rehabilitation can start. Clearly, the major need is for more than 3000 jobs and economic activity that were unnecessarily halted in mid-2020 are restored. “These jobs and their contractors and other suppliers drove, not only the local economy, but strongly empower the economy across the province and contributed to employment and the economy all the way down the Highway to Lae.

“While the State will forfeit much revenue in the earlier years if it seeks to acquire 51 per cent of equity, it will still gain a significant flow of revenue from salaries and wages tax and GST (goods and services tax) generated by employees, which will rapidly exceed the so-called legacy revenue being claimed by IRC. “Further deferring the start of the mine will not only impact the Engan economy, but also national and provincial revenue, so resolving the purported tax issue needs to be concluded promptly, or the province and country will forfeit much more. “The problem is that the IRC demand is so substantial that it’s not just delaying the restoration of the project, but potentially jeopardising it entirely.”

Policies not affecting mining projects

Post-Courier, 23 February 2023

The lack of enabling policies and non alignment of visions and objectives by the provincial and local level governments are some of the challenges affecting the agreement to precede mining projects in the country. An officer from the Mineral Resource Authority (MRA) highlighted this among many other challenges affecting the process of signing and reviewing a memorandum of agreement (MoA) for the existing mining projects in the country. MRA executive manager for development coordination division, Andrew Gunua said that when it comes to reviewing an MoA for mining project, it has to be aligned with the province’s five-year rolling plan, especially for the resource host provinces. He said in most cases those provinces do not have a five-year rolling plan and when it comes to an agreement signing, the alignment is not there and the commitment required for in the MoA are sort of distorted. Mr Gunua was speaking at the Natural Resource and Economic Seminar hosted by the PNG National Research Institute (NRI) in Port Moresby on Monday.

He said some of those challenges can be improved through partnership with NRI in the areas of research and policies. “Formulating appropriate policy guidelines is a way forward on how we can improve some of these challenges. The policies must be of practical in nature,” he said. Other challenges include the legal challenges, political interference and government accountability and distribution of funds royalties and special support grants, given that there is no standard reporting system in place. Mr Gunua also did a summary update on the status of the current MoAs of mining projects in the country, including Porgera, Simberi, K92 and Tolukuma mine. Ok Tedi mine project was described to be the most successful in terms of its MoA review while Lihir mine, since signing an MoA in 2007, have not done a review to date and are still waiting for the provincial government to provide its position. He said in the cases of the upcoming mine projects, including Wafi-Golpu, Frieda River and Yandra, are not yet permitted and does not trigger any work for the MoA to begin.

Tiefseebodenbergbau Folgen noch nicht abzusehen

Bis zum Sommer muss die Internationale Meeresbodenbehörde über den kommerziellen Tiefseebergbau entscheiden. Dabei ist noch relativ unbekannt, was der Bergbau für die Ökosysteme dort bedeutet. Von Yasmin Appelhans, NDR, Tagesschau 22.02.2023 06:25 Uhr

Dicht an dicht liegen in manchen Meeresgebieten die Objekte der Begierde am Meeresboden: Manganknollen, die neben dem namensgebenden Mangan und Eisen auch viel Kupfer, Nickel und Kobalt enthalten. Es handelt sich um Metalle, die an Land nicht sehr häufig zu finden, allerdings von hohem wirtschaftlichem Interesse sind. Zum Beispiel werden sie für Batterien in Elektroautos und in Solar- und Windkraftanlagen genutzt. Sie spielen eine entscheidende Rolle bei der Energiewende.



Meeresboden mit vielen Manganknollen. Sie enthalten neben Mangan auch Eisen, Kupfer, Nickel und Kobalt und somit wichtige Rohstoffe. Bild: picture alliance / ROV-Team, GEO

Wie ein Panzer am Meeresboden

Einige Unternehmen und Regierungen testen daher bereits Prototypen, die diese Manganknollen zukünftig aufsammeln könnten. Ein solches Gerät hat beispielsweise auch die belgische Firma Global Sea Mineral Resources entwickelt. Es ist knapp 20 Tonnen schwer, fährt auf Ketten und erzeugt mit einem Wasserstrahl einen Unterdruck, mit dem die Manganknollen in das Gerät gesaugt werden.

"Das ist größer als ein 'Leopard 2'-Panzer", sagt Matthias Haeckel. Er ist Biogeochemiker am GEOMAR-Helmholtz-Zentrum für Ozeanforschung in Kiel und leitet ein europäisches Projekt zu den Folgen des Tiefseebodenbergbaus.

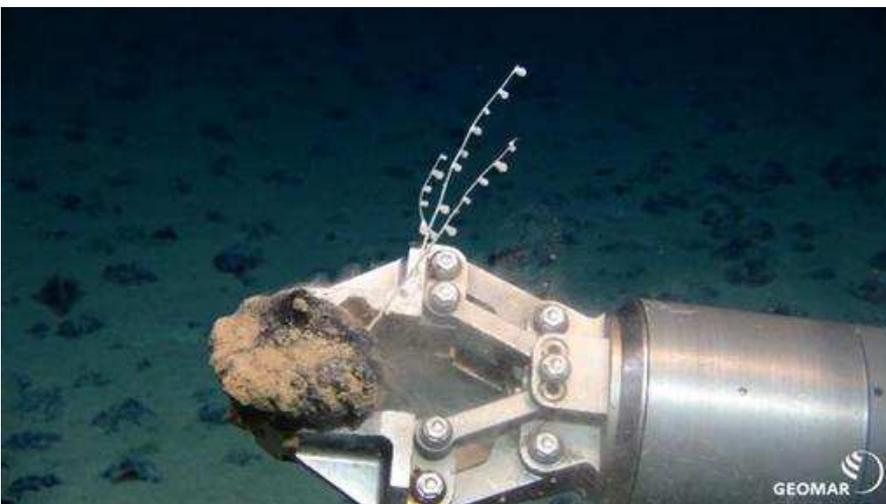
"Die oberen Zentimeter des Meeresbodens werden mit dem Gerät komplett abgetragen - und später an anderer Stelle wieder ins Meer entlassen." Diese Methode, die auch von anderen Firmen genutzt wird, sorgt für deutliche Spuren am Meeresboden, erklärt die Meeresbiologin Sabine Gollner vom Royal Netherlands Institute for Sea Research in Texel: "Da sieht man nach dem Abbau quasi einen umgepflügten Acker", sagt sie. Die Spuren aus den ersten Versuchen in den 1970er- und 1980er-Jahren seien noch immer zu sehen. Rein optisch habe sich seitdem kaum etwas an der Struktur des Bodens verändert.

Folgen für Mikroorganismen und Tiere

Mit dem Meeresboden verschwinden so auch alle Tiere und Mikroorganismen, die in dem Sand am Tiefseeboden leben, in den Geräten. Gemeinsam mit den Manganknollen werden auch alle Korallen, Schwämme und Anemonen, die auf der harten Oberfläche der Knollen siedeln, eingesaugt. Dazu gehören auch Arten, die nur auf den Manganknollen der Tiefsee zu finden sind, beispielsweise ein Schwamm, auf dem der Gespensteroktopus seine Eier ablegt.



Schwamm auf einer Manganknolle. Bild: ROV Team/GEOMAR (CC-BY 4.0)



Auch Korallen siedeln sich auf Manganknollen an. Bild: ROV Team/GEOMAR (CC-BY 4.0)

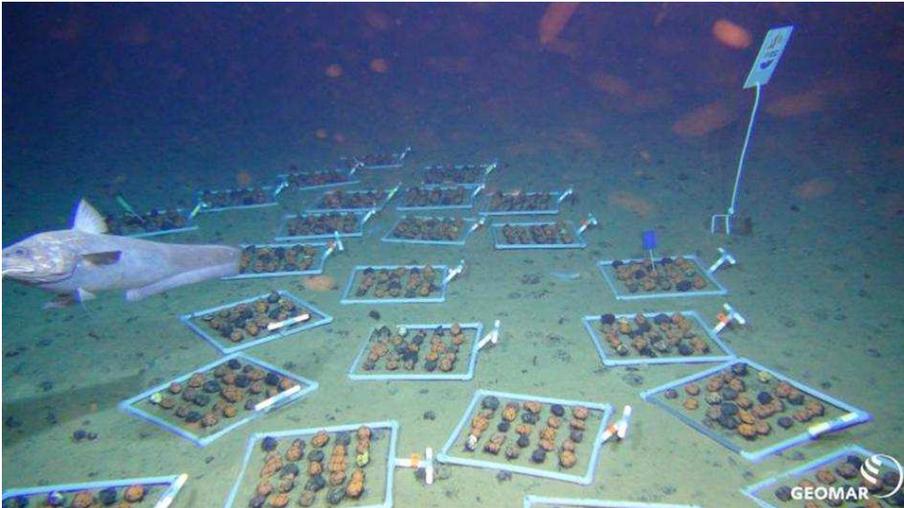
Die Methode, mit der die Knollen eingesammelt werden, könnte demnach sehr langfristige Schäden im Ökosystem verursachen, so Matthias Haeckel. Denn in der Tiefsee wachsen viele Tiere sehr langsam. Zum einen, weil nur sehr wenig Nahrung in die Tiefe kommt, wo in der Dunkelheit keine Pflanzen wachsen können. Zum anderen, weil der Stoffwechsel vieler Tiere in der Kälte nur sehr langsam abläuft. "Durch Modelle kann man versuchen zu rechnen, wie lange das Ökosystem braucht, um sich wieder zu erholen - und dann sind wir schon eher bei vielen Jahrhunderten bis Jahrtausenden als bei Jahren oder Jahrzehnten", sagt der Biogeochemiker.



Der Gespensteroktopus, der seine Eier im Schwamm auf Manganknollen ablegt. Bild: picture alliance / dpa

Künstliche Knollen sollen Aufschluss geben

Wie lange genau es dauern könnte, bis sich wieder größere Tiere ansiedeln, nachdem so ein Gerät über den Meeresboden gefahren ist und die Manganknollen eingesammelt hat, und ob die Anemonen, Schwämme und Korallen auch auf anderen harten Oberflächen als Manganknollen wachsen könnten, möchte Sabine Gollner nun erforschen. Dafür macht sie Versuche mit künstlichen Manganknollen aus Keramik. Noch ist unbekannt, wie lange es dauert, bis die Tiere zur vollen Größe heranwachsen. "Sind zum Beispiel die Anemonen, Korallen, Schwämme fünf Jahre alt, 50 oder 500 Jahre? Das wissen wir im Moment noch nicht", sagt sie.



Künstliche und echte, gereinigte Manganknollen liegen in Rahmen auf dem Meeresboden. Bild: ROV Team/GEOMAR (CC-BY 4.0)

Seit 2019 liegen Rahmen mit den künstlichen und gereinigten echten Knollen nun schon in 4.500 m Tiefe im Pazifischen Ozean. Was genau auf den Knollen bisher wächst, untersuchen Sabine Gollner und ihr Team derzeit im Labor. Mit bloßem Auge ließen sich aber nach zwei Jahren Wachstum kaum Tiere erkennen, berichtet sie. Dreißig lange Jahre soll das Experiment insgesamt laufen. Ob die Zeit ausreicht, damit sich überhaupt wieder Tiere wie Schwämme und Korallen auf den Knollen ansiedeln, werden erst die nächsten Jahre zeigen.

Unbekannte Ökologie

Und auch sonst ist noch nicht viel über die Ökologie der Tiefsee bekannt. Um politische Entscheidungen über wirtschaftliche Projekte treffen zu können, die in die Natur eingreifen, sind im Normalfall sogenannte Ökosystemmodelle notwendig. Darin wird das gesamte Ökosystem betrachtet und die Folgen von Eingriffen simuliert. "Das ist etwas, was es für die Tiefsee momentan noch nicht gibt, weil wir die Gesamtzusammenhänge des Ökosystems so noch nicht verstanden haben", sagt Matthias Haeckel vom GEOMAR. Noch nicht einmal die wichtigsten Arten dieses Systems hätten Forschende bisher identifizieren können. "Unter Umständen ist die Artenvielfalt an sich am Tiefseeboden ein entscheidender Faktor", meint Haeckel.

Entscheidung bis zum Sommer

Derweil sind bei der Internationalen Meeresbodenbehörde in Jamaika die Verhandlungen um die Verteilung des Meeresbodens schon in vollem Gange. Sie ist verantwortlich dafür, zu entscheiden, ob und wie die Knollen und auch andere metallreiche Gesteine, wie erloschene Schwarze Raucher und Eisen-Mangan-Krusten an untermeerischen Gebirgen in internationalen Gewässern kommerziell abgebaut werden dürfen. Bisher hat die Behörde nur Lizenzen vergeben, mit denen ein möglicher Abbau erforscht werden, noch nicht aber vollzogen werden darf.

Die Zeit drängt, denn der Inselstaat Nauru möchte mit dem Abbau beginnen. Er habe im Sommer 2021 einen Antrag bei der Behörde eingereicht und damit eine sogenannte Zweijahresfrist

ausgelöst, erklärt der Rechtswissenschaftler Alexander Proelß von der Universität Hamburg. "Das heißt, dass bis zum Sommer dieses Jahres eigentlich die Regulierungen über die Ausbeutung feststehen müssen." Sollte es bis dahin keine Einigung geben, gilt das Recht, das bis dahin ausgehandelt wurde - mit unbekanntem Folgen für die Tiere der Tiefsee.



Manganknollen gelten zusammen mit den Kobaltkrusten als die wichtigsten Quellen von Metallen und anderen mineralischen Rohstoffen im Meer. Bild: picture alliance / Maria Berentz

Deutschland mit vorsorglicher Pause

Am 7. März wird bei der Internationalen Meeresbodenbehörde weiterverhandelt. Weil die Folgen des Abbaus für die Tiefsee noch weitgehend unbekannt sind, hat die deutsche Bundesregierung im vergangenen November beschlossen, keine Vorhaben für Tiefseebergbau in internationalen Gewässern mehr zu unterstützen. Bis mehr über die Tiefsee bekannt ist, setzt es seine Beteiligung aus.

Negotiations on mine taking too long, says governor

BY GLORIA BAUAI, February 22, 2023, The National Business

MOROBE Governor Luther Wenge says negotiations on the billion-Kina Wafi-Golpu project is taking too long. "The provincial government's position is clear: mining must go ahead," he said. "We can sort everything else later. Wenge said the provincial government wanted the special mining lease to be granted and preparations for the gold-copper project must start. He said the understanding was that the special mining lease be signed last December. "It's the state negotiating team who is negotiating with the developer on our behalf that is delaying this," he said. State negotiating team chairman Dairi Vele said last week that they were trying to get the best deal for all stakeholders in the K18.5 billion project.

Wenge said the provincial government wanted everything to be done according to the law, including the payment of royalties. "By law, royalties are 2 per cent but the government wants an additional 3 per cent which the developer is not agreeing to," he said. "We are ok with it as long as it's by the law." "If the Government wants more, then change the law so it's in their favour." Four months ago, the provincial government confidently announced that it was agreeing in principal to the 5 per cent royalty with the state and developers. Wenge told the provincial assembly last October that 10 per cent of the State's 30 per cent equity in the project would be free-carry to the Morobe government and the landowners of Babuaf, Yanta and Hengabu. But last week, he said the details were still not clear. "We are ready to move but the state negotiating team is the one delaying us," he said.

PNG experts form group

February 20, 2023, The National Business

THE country's mining industry is dying, according to an academia at the University of Technology mine engineering department. Yawas Dekba said the Government was "walking away" from the mining industry and had no idea how to save it. Dekba and other lecturers who are geologists, engineers and surveyors have formed the Geological Resource Engineering Consultant (GREC) group to find ways to keep the mining industry going. The group designed a three-faced model to guide their work – a developmental or community-based approach valuing people and the environment, with the focus on minerals and human resources instead of money. Dekba said a project undertaken by a three-man team with various technical expertise, identified an alternative to Wafi-Golpu's proposed deep sea tailings, that could generate money for years.

He said the report included the tailing mineral chemistry, valuable minerals, waste minerals, water flow assessment, dam site design, crystalline basement and diving through all recorded earthquakes as far as 100km down and assessing the stability. He said another project was taking students on field training, mapping out the geological features in Nawaeb. The other project already started was on the copper system in Madang, where students would research how to handle the tails after mineral extraction, the land in Raicoast has already been registered as Exploration Licence 2627, as well as the Integrated Landowner Groups. "The hard work to take over mineral rights can be done by us, the Government needs to pull this sector back," he said.

Hides 4 landowners give K2.27m to God

BY JEFFREY ELAPA, Post-Courier, 17 February 2023

A PNG LNG upstream landowner company has become the first to pay K2.27 million as 10 per cent tithes to the churches to support the work of God in the project sites in Hides PDL 4, Komo, Hela Province. The presentation of the cheque to the different churches was made at Para Community School, the host of the Hides 4 PDL 7 conditioning plant on Saturday. The event coincided with the launching of the Hides 4 PDL 7 Umbrella Association, the Kroton Laitepo Equities Limited (a special purposes vehicle), and the launching of several infrastructure projects in the Hides 4 area. Speaking during the occasion, executive chairman of the Kroton Laitepo Equities Limited (KLEL), Andy Hamaga thanked the Prime Minister James Marape on behalf of the six block leaders and the 277 clans for the decision to recognise the five provincial governments and landowners of the PNG LNG project to benefit from the 4.27 per cent equity. "The Pangu Pati-led government's decision to off load 4.27 per cent Kroton Equity to the provincial government's and landowners has now allowed us to receive our benefit early.

"Otherwise, it would have taken us many years to realise the benefit if we were to participate in the vendor financing option," Mr Hamaga said. "Thanks Prime Minister, the Hides 4 PDL 7 landowners are fortunate to receive K20 million as Kroton equity payment through Kumul Petroleum Holdings. "We also thank the board and management of KPHL for the timely release of the funds, and to other stakeholders, including the Minister for Petroleum and Energy and his secretary, and the developer, as we are now able to use the funds to help deliver projects that will help improve the lives of our people. "KLEL, the special purpose vehicle for the people of Hides 4 is now able to give 10 per cent of the benefit (K2.27 million) to the churches to support the work of God as agreed when they signed the Umbrella Benefit Sharing Agreement. "We are also able to use 40 per cent of the equity benefit as cash component to the 277 clans while another 30 per cent will be used to fund the infrastructure developments in Hides 4 like the water supply project, electricity, Andira hospital, roads and education support."

LNG paid total of K19.2bil to the State since production

February 17, 2023, The National Business

THE PNG LNG project has paid a total revenue of K19.2 billion to the State since it began production in 2014, according to operator ExxonMobil PNG Limited. A statement from the company said the PNG LNG project generated five primary revenue streams. “They include equity distributions paid to Kumul Petroleum Holdings Limited (KPHL) and Mineral Resources Development Company (MRDC) which is based on the amount of equity in the PNG LNG project held by each (KPHL 16.8 per cent and MRDC 2.8 per cent),” it said. “Different types of tax including company tax are paid to the Internal Revenue Commission. “Development levy and royalties are paid to the Department of Petroleum and Energy in line with the Oil and Gas Act for the benefit of project area provincial and local level governments plus landowner benefits.” The breakdown of the total revenue is:

- PAID to Kumul Petroleum K8.3billion;
- PAID to MRDC K1.5 billion;
- ROYALTY K1billion;
- DEVELOPMENT levy K1 billion; and,
- TAX K7.4 billion.

The other partners in the US\$19 billion (about K65.36 billion) project include Santos Limited (42.5 per cent) and JX Nippon Oil and Gas Exploration (4.7 per cent) The project is an integrated development that includes gas production and processing facilities extending from Hela, Southern Highlands, Western and Gulf to Port Moresby in Central. “Our facilities are connected by over 700km of onshore and offshore pipeline and include a gas conditioning plant in Hides and a liquefaction and storage facility near Port Moresby,” it said. “The LNG production began in April 2014, months ahead of schedule.”

Tax issues behind delay: Ipatas

By NATHAN WOTI, February 17, 2023, The National Business

ENGA Governor Sir Peter Ipatas says legacy tax issues prolonging the reopening of Porgera gold mine is for the State, through Internal Revenue Commission (IRC), and Barrick (Niugini) Limited (BNL) to address. He said regardless of this issue the provincial government and people of Enga only wanted the mine to open. “I believe the tax issue is an issue for old Porgera and should be negotiated between the parties later,” he said. “As far as the Enga government and the people are concerned, the mine should have started operation already. “Everybody knows opening of Porgera mine will have big impact on Porgera valley, Enga and whole nation.” From recent reports, Barrick Gold chief executive officer Mark Bristow stated that all parties involved should complete the process needed to reopen the mine by the first quarter of 2023.

He added that delaying the reopening of the mine was not in the stakeholders’ interest as the company was only waiting for the other parties to resolve the remaining issues. Prime Minister James Marape last month said a tax issue was delaying the reopening of the Porgera gold mine. “Both parties (IRC and BNL) have been working to ensure (negotiation on the reopening) is progressed,” he said. “We are almost there. There is just a tax issue standing in the way of Porgera being reopened. “Just because we are silent does not mean that we have not been working (on getting the mine reopened).” Marape said as Prime Minister, he did not have the authority to impose on IRC on what to do. “The IRC has its constitutional office and constitutional mandate (on how to carry out its work),” he said. “They are almost there with their assessment. “We will be looking at their assessment to see whether they are consistent with the law. (There is) nothing much (else) we could do.”

State hopeful for Papua LNG final investment decision

BY DALE LUMA, Post-Courier, 16 February 2023

The State is hopeful that a Final Investment Decision (FID) on the US\$12 billion (K42.3 billion) Papua LNG (liquefied natural gas) is made sometime this year, says State Negotiation Team (SNT) chairman Dairi Vele. He said the project should bring in foreign exchange (FX) and stimulate four years of economic activity during the construction phase alone. This paper understands that the project will deliver a further two-three million tonnes of LNG, doubling PNG's LNG exports from 8.5 million per annum to 14 to 15 million tonnes per annum. "Remember, they are not going to build a new plant, they are going to build some infrastructure inside the existing PNG LNG plant site," Mr Vele said.

"They will develop the upstream in the Gulf Province and pipelines to get the gas and oil down to be processed down at PNG LNG plant site. "Hopefully, there are some foreign exchange from the construction. Some things, and depending on our law, those things that can be sourced locally, they have a responsibility to buy local. "But in these types of complex engineering projects, there's very few things that we as an economy make and that are available for these companies to buy locally. "A large part of the construction is generally from the outside, but there will be workers employed here and people moving in and out of the country here for the project, and for the opportunities that come with these types of projects — so that's always a positive thing. So you'll get four years of increased economic activity."

Justice Foundation for Porgera Ltd not mandated to represent impacted LOs

Post-Courier, 16 February 2023

Port Moresby-based business called Justice Foundation for Porgera Limited (JFPL) is not mandated to represent the views of impacted landowners of Porgera Mine. The Porgera Landowners Association (PLOA) and Lease for Mining Purposes Landowners Association (LMPLOA) have clarified that they are the sole legally mandated entities representing the Special Mining Lease (SML) and Lease for Mining Purposes (LMP) landowners of the Porgera mine. Chairman of PLOA, Mark Tony Ekepa, and chairman of LMPLOA, Timothy Andambo, said the Port Moresby-based business Justice Foundation for Porgera Ltd (JFPL) has no presence on the ground at Porgera and has recently made statements in a number of newspaper articles claiming that they represent the impacted Porgera landowners. "This is not correct as it is a business owned by a few individuals and is not a representative landowner business.

A National Court decision OS 907 of 2014 also declared that the business entity had no standing," Mr Ekepa said. "There is absolutely no reason for any commercial enterprises, private business entities, or paper landowners from Port Moresby or anywhere else to be involved in issues around Porgera Mine and continue to mislead the public. "JFPL is not owned by all SML clans. "JFPL must immediately desist from issuing misleading and confusing statements that do not have the backing of the legally mandated Porgeran leaders." In preparation for the reopening of the Porgera mine, the two Porgera leaders of the SML and LMP landowner group asked all Porgera leaders, who are moving around the country, to return to Porgera and assist in creating a stable and conducive environment. The chairmen want negotiations to be completed quickly and the mine to reopen for the benefit of their members.

Roadblocks and lawlessness impacting K92, says boss

February 16, 2023, The National Business

LAW and order is a major challenge for businesses around the country especially in relation to the movement of goods and people, according to K92 Mining Inc. K92 chief executive officer John Lewins said roadblocks in the Highlands Highway in Kainantu in Eastern Highlands greatly impacted mine operations. “We employ around 1,500 people (1,000 direct employees and 500 contractors) of which around 60 per cent are local or from Eastern Highlands,” he said. “We are moving people by road and air every day, including quite a number from Goroka and further up the highway around Mt Hagen, so road closures like impact on our operations. “The same goes for the problems which Air Niugini and PNG Air have been having, not just with fuel, but also aircraft reliability which result in cancellations and our people delayed in travelling and sometimes stuck away from home and away from the mine site.

“In addition, we have personnel coming from places like Mt Hagen which has had major conflicts which stop people traveling as they do not wish to leave their families unprotected. “We see other impacts including increasing theft, illegal mining, interruption to our legal activities in mining and exploration. “This is undoubtedly impacting on new investment coming into the country as well. “K92, like all businesses welcome the commitment of the Government to increasing the capacity of our police force and to make law and order a major focus for Government in this term.” Lewins had to travel from the mine site in Kainantu to Goroka on Monday morning as he had a commitment with the University of Goroka.

Mine aims to produce 1.2mil tonnes of gold

By PETER ESILA, February 16, 2023, The National Business



K92 Mining Inc chief executive officer John Lewins in front of one of the company's underground drill rigs. – Picture supplied

K92 Mining Inc is embarking on a major expansion this year, intending to invest over K1 billion by the end of next year to expand operations from the current 500,000 tonnes per annum capacity to 1.2 million tonnes per annum. K92 chief executive officer John Lewins said this would increase production from 125,000 ounces this year to 300,000ozs by 2025. “We will then be spending another K400 million in 2025/26 to expend further to 1.7 million tonnes per annum, producing 500,000ozs per annum by 2026,” he said. “Operationally, we expect Kainantu to post another record performance in 2023 in terms of tonnes mined and processed as well as gold ounces produced. “Our employment numbers at site (direct employees and contractors) will also increase from around

1,500 at the beginning of 2023 to around 1,800 by end of 2023 and 2,000 by end of 2024.” “We anticipate this to further increase to 2,500 by end of 2026. “In addition, we will continue to be the largest explorer in the mining space in Papua New Guinea in 2023 and have budgeted for a record expenditure of K60 million in 2023.”

Seven laws remain: Sir Ano

By REBECCA KUKU, February 16, 2023, The National Business

THE seven laws under the new Porgera that were passed last April in parliament remain intact, Mining Minister Sir Ano Pala says. This comes after a Government Gazette No.G66, dated Wed, Feb 1, revoked the notice of commencement of the seven laws relating to New Porgera with Opposition Leader Joseph Lelang calling on Prime Minister James Marape “to explain the withdrawal of Porgera laws”. Deputy Opposition Leader Douglas Tomuriesa said the Government had no right to withdraw these laws or make amendments, outside of Parliament. “Stop this nonsense and bring the laws back to Parliament to revoke and correct,” he said. “You cannot do this outside of Parliament.” “This is not a banana republic where you can make laws and then amend or change them at will. “Laws must be taken back to Parliament to be amended.” However, Sir Ano said that the gazette was only made because the Prime Minister (Marape) did not have the authority to sign the commencement notice nor advise the Head of State to gazette laws relating to “New Porgera”.

He explained that when the seven laws relating to new Porgera were passed by Parliament on April 21, 2022: “And upon becoming laws, the Prime Minister signed a commencement notice to the Head of State, for these laws to take effect. “Consequently, these laws were gazette by the Head of State in National Gazette No.G783 dated Oct 13, 2022. “It was later discovered upon legal advice that the Prime Minister did not have the authority to sign the commencement notice nor advise the Head of State to gazette these laws. “The preamble to the relevant amendment laws specified who the authorised person was to advise the Head of State to gazette the laws.” Sir Ano said the revocation notice was therefore, a result of legal advice to correct the technical error and to advise the Head of State to gazette these amendments.

France grants loan to SLN nickel company

Radio New Zealand, 15 February 2023

New Caledonia's SLN nickel company has been granted a \$US43 million loan from the French state to stave off insolvency. SLN is New Caledonia's largest company, employing about 2000 people directly and a further 8000 indirectly. The decision to lend more has been announced by the French finance ministry after coordination with Eramet, which is the main shareholder in SLN. Last month, it was reported that \$US63 million was being readied to rescue SLN but the company said it had not been advised of it. In 2016, SLN had been given a \$US600 million loan from its parent company Eramet and the French state, which was drawn down over six years.

State eyes best deal in K18.5b Wafi-Golpu

BY DALE LUMA, Post-Courier, 14 February 2023

State Negotiation Team chairman, Dairi Vele, says the state is trying to get the best deal for all stakeholders in the US\$5.4 billion (K18.5 billion) Wafi-Golpu project in Morobe Province. He told this paper that the project could be one of the biggest copper and gold mines in the world. “We are confident that PNG will get a much more mature deal,” Mr Vele said. “We are working with Wafi to provide a very strong outcome. “Wafi could end up becoming one of the world’s largest

copper/gold mines. “We need to make sure that the state gets its fair share, that the company gets a good return on its investments, and all of us ensure that the landowners and the provincial government are able to participate and receive strong benefits as well.

“We should be able to make announcements in the next couple of months. “We just have to remember that Wafi is a two-year preparation process and the actual construction of the project will take six years. “So it’s a long project, it’s not like we sign something today and we have a gold mine tomorrow. “Because it’s a big project, it will take a little bit of time to get it up and going. “Everyone is trying to make sure that all the numbers make sense and all the words are reflecting the understanding of all parties.

“Our starting point is the law, there has to be a good reason why we reduce the taxes that are in the law and we are confident that we are heading toward that direction. “We are two months into the New Year and six weeks away to the end of the first quarter so we believe we are on schedule.” Mr Vele said the developers Harmony and Newcrest are not new operators in the country and understand the expectation of the country. “At the same time they have shareholders that they need to give to as well so we will have that fine balance and be able to make announcements shortly.”

Tukuliya sets out to get organisation back on track

Post-Courier, 10 February 2023

Resource projects in the country are assured that all outstanding work relating to issuance of environmental permits and others relating to environment protection and conservation will be attended to on a timely basis from now onwards. The assurance was given by Jude Tukuliya, the acting managing director of the Conservation and Environment Protection Authority (CEPA) – the key state regulator that provides oversight on all environment and conservation laws for the mineral and hydrocarbon resource sectors. “We have had some serious issues in the delivery of our services to the industry and the country because of the instability in CEPA,” Mr Tukuliya said. The Government has taken the first step to deal with the leadership issue following the appointment of Mr Tukuliya, as the acting managing director.

Mr Tukuliya gave his assurance in an interview with Post-Courier on the weekend that he will quickly move to ensure a new Board and a deputy managing director are appointed to support him to provide the leadership that was missing for the last 12 months. This is coming on the back of efforts to restart the Porgera gold mine gains momentum, with developer, Barrick giving the state a March 31 deadline. Just how it deals with the allegations over environmental pollution – a long standing concern is yet to be seen but CEPA’s input will be needed to find a way forward to restart the mine.

“There are other projects like the Frieda mine, the Wafi-Golpu mine, Papua LNG and others that require CEPA’s support to drive these projects forward and to realise the Government’s overall push to grow the economy. “I am going to ensure we have a new board in place. “This includes an organisational restructure of CEPA is undertaken to address all in-house issues we have. “CEPA’s role in the economy of Papua New Guinea cannot be understated. “At this point in time when new projects are coming on stream and the Government’s revenue forecast requires new investments in the resource sector, we have to quickly deal with our in-house issues. “We need to get CEPA into shipshape for it to function properly,” Mr Tukuliya added.

Australia rejects coral mine near Great Barrier reef

Post-Courier, 10 February 2023

CANBERRA: The Australian government on Wednesday turned down a proposal for a new open-cut coal mine near the Great Barrier Reef, invoking environmental laws and the risk of “irreversible damage.” The mining project, proposed by controversial Australian businessman Clive Palmer, would have been located less than 10 kilometers (6.2 miles) from the reef on the Queensland coastline, about 700 kilometers (435 miles) northwest of Brisbane. Tanya Plibersek, the minister for the environment and water, indicated last year that she intended to reject the mine and formalized her decision on Wednesday. She said it was the first time a federal environment minister had used their powers under environmental laws to reject a mine.

In turning down the project, Plibersek cited significant potential environmental dangers to the reef, which is already heavily threatened by climate change. “The risk of pollution and irreversible damage to the reef is very real. The project would have had unacceptable impacts on freshwater in the area and potentially on fragile seagrass meadows,” Plibersek said in a video posted on social media. She said that during the public consultation period, her department had received 9,000 public comments about the mine in just 10 business days. The government has been under pressure from UNESCO to better protect the reef and in 2022, it pledged one billion Australian dollars (\$700 million) for efforts to protect the fragile ecosystem, including climate adaptation measures and water quality programs.

Last year, the Great Barrier Reef, which stretches for more than 2,300 kilometers (1,429 miles), experienced its sixth mass bleaching event, due to warming waters caused by climate change. The government, elected in 2022, came to power promising stronger action on the climate in a country still heavily wedded to fossil fuels. But its climate policies are rated “insufficient” by Climate Action Tracker, which found Australia is not on course to meet targets to limit warming to 1.5 degrees Celsius above pre-industrial levels. The government has rejected calls from the country’s Green Party to turn down all new fossil fuel projects. Central Queensland Coal, Palmer’s company, did not immediately respond to a request for comment. – CNN

Govt nullified laws: Lelang

By REBBECA KUKU, February 10, 2023, The National Main Stories

THE Opposition wants Prime Minister James Marape to explain the withdrawal of seven legislations relating to Porgera, without Parliament knowing about it. Opposition Leader Joseph Lelang accused the Government of going behind Parliament’s back to nullify the laws passed last year relating to the so-called New Porgera deal. Lelang claimed that the issue only came to light through the Government Gazette No. G66, dated Wednesday, Feb 1, which revoked the notice of commencement of the seven laws relating to New Porgera. “The seven laws were passed by Parliament on April 21, 2022. They were certified by the Clerk of Parliament on May 30. They took effect (through) the National Gazette No. G783 of Oct 13,” he said. When contacted for comment yesterday, Marape said he would issue a response today. Lelang said the laws included the:

- GOODS and Services Tax (New Porgera) (amendment) Act No. 25 of 2022;
- INCOME Tax (New Porgera) (amendment) Act No 28 of 2022;
- MINING (New Porgera) (amendment) Act No. 32 of 2022;
- MOTOR Vehicle (third party) (New Porgera) (amendment) Act No. 33 of 2022;
- NATIONAL Energy Authority (New Porgera) (amendment) Act No. 34 of 2022;
- RESOURCE Contracts Fiscal Stabilisation (amendment) Act No. 37 of 2022; and,
- STAMP Duties (New Porgera) (amendment) Act No. 39 of 2022.

These laws were introduced by Prime Minister James Marape under a shroud of secrecy. They were passed without question or debate using the government's superior numbers," Lelang said. "The Bills were never circulated 72 hours prior to their tabling as required by Parliamentary convention. They were never debated and passed on voices along with no less than 34 other laws, all of which were introduced and passed in the same manner."

Maternal mortality rate on rise along Fly River

February 10, 2023, The National

IT has been an increasing trend for mothers living along the Fly River, Western, to die after child birth, a health officer says. Suki Sub Health Centre nursing officer-in-charge Rhoda Fabiyam told *The National* that last year, a lot of mothers died after giving birth because they did not have any help from trained midwives. "Fly River villages are all far from the sub health centre," she said. "Last year, a lot of mothers died while giving birth because there was nobody to help them on their way to the health centre and so they either bled out or they retained their placenta.

These are distant villages; Suki health sub-centre is in a remote place, five kilometres from the border of Indonesia, so even though we are in the bush, we try our best." The facility is manned by four staff including Fabiyam and with no formal training, she was the only one with experience in delivering babies, providing neo-natal care and has been training the other three community health workers at the centre. "We just lost one mother last week, she had two problems; one was a suspected swelling of the abdomen (ovarian cyst) and the other we suspect was cancer," she said.

Lack of roads affect delivery of South Fly health services

By LULU MAGINDE, February 10, 2023, The National

LACK of roads and modes of transport are the biggest impediments to the delivery of health services in South Fly, Western, an official says. Veteran health extension officer, Bruce Paiki, who has worked at the Morehead local level government sub-health centre in Western, for close to 30 years, said he wanted to see the road situation improved in his district so that people would not be hindered accessing health services. "At the end of last year, when the prime minister visited, there were talks of building the national highway but we are yet to hear or see anything happen," Paiki said.

"I did my practical at Morehead health centre in 1985 but I have seen the whole province, served at Serki aid post from 1985 to 1989 and then being sent back to Morehead, where I am now been since 1994." Paiki told *The National* that the area he served was a hotspot for tuberculosis, snake bites, child birth assistance and lack of immunisation posed the greatest challenges. "The lack of roads, just the general road situation is so bad, making it difficult for patients to get treated on time," he said. "Most of them live inland and so it can take hours if not days to reach the sub centre. "I'm not sure when work will begin on the road but the people continue to suffer due to lack of health services."

MRDC hopes to be tax-compliant: Mano

February 10, 2023, The National Business

MINERAL Resources Development Company (MRDC) managing director Augustine Mano says all their subsidiaries will be compliant in paying their fair share of taxes. Mano said this following one of its subsidiary's Petroleum Resources Kutubu (PRK) paying K120 million in tax liability earlier this week. "We are bringing all our subsidiary groups for compliance and many times you hear,

we do projects there, but this is what we give back to the country and we want to be a compliant entity and setting the pace, not only for PRK but for all our subsidiaries,” he said. Mano said he would provide further tax details on its subsidiaries at a later date. According to the MRDC website, the company was registered under the Companies Act (1997) and was wholly owned by the State.

MRDC was mandated by the Oil and Gas Act (1998) to manage project benefits which are held in trusts by corporate trustees that are subsidiaries of MRDC. The website stated the Mining Act does not give a specific mandate to MRDC to manage project benefits for mining project areas. Instead, various Government directives and policies and agreements enable MRDC to manage the benefits which are derived from mining projects for the project area landowners as well as the provincial governments. The benefits from Mining projects are held by a corporate trustee which is managed by MRDC. MRDC’s role is to implement the investment decisions and then monitor the performance of the investment and make appropriate recommendations to the board. MRDC also provides other corporate and financial management services to the corporate trustees.

Sir Julius wants miners to include NIPG in sale deal

February 10, 2023, The National Business

THE New Ireland government has informed developers – Newcrest Mining Ltd and St Barbara Ltd – that it must be part of negotiations for any purchase agreements. The two Australian miners operate the Lihir and Simberi gold mines in the province. Governor Sir Julius Chan said the provincial government wanted to participate in negotiations so that locals had a say on the development that was taking place in their province. Sir Julius said he was disappointed to learn through the media that Newcrest had already struck a deal with US company Newmont. “We don’t all of a sudden want to have another Porgera on our hands, where the mine stops and we have to start from scratch again,” he said. “There must be proper consultation between all parties concerned before a final decision on a new mining company is made.”

Sir Julius acknowledged that the possible purchase of Lihir mine by Newmont was an important development, however, he said the new miner had to be fully briefed on all the original Lihir agreements, the current arrangements under the tax credit scheme and be prepared to accept all outstanding obligations. “They (Newcrest) have not fulfilled K1 billion worth of Lihir MOA projects. Because of the price movement over the last 30 years, the prices have increased,” he said. “I will not allow a takeover; we will not cooperate with it. “We will make sure that every agreement signed in 1995 must be fulfilled if a new company takes over. “So when they are talking about selling it hurts because I have worked with the people of Lihir to make that mine a reality.

“There is no respect from Newcrest or St Barbara to let us know that they want to sell the mines and why they want to sell them. “I must know, they make money here, they enrich themselves here and I am the governor and my people deserve to be respected.” Sir Julius said any economic activity or developers being brought into the province needed to undergo a proper vetting process. “It is the role of all provincial governments to have a clear vision of who should be benefiting from development in the province, closely supervise and monitor developments to ensure it achieves their goals.” He said Simberi has the same agreement with the government and it’s issues included levels of production since 2015, royalty payments, recent production problems and possible takeover implications.

Multinational companies distorting tax calculations

By Dale Luma, Post-Courier, 9 February 2023

The Government is making hundreds of millions or if not billions in losses from tax revenue from big multinational companies, says Internal Revenue Commission (IRC) Commissioner General Sam Koim (pictured). He said these corporations, especially in the extractive sector, engage in complex web of transactions and, in those transactions, sometimes deliberately distort tax figures in their calculations. “Our tax regime is very complex and a lot of this conglomerates, especially in the extractive sector, engage in a complex web of transactions,” Mr Koim said. “Sometimes they deliberately distort the taxes in those complex calculations. “That’s why the Government misses out a lot. “That is why we are now turning the spotlight on them and we are auditing those big companies. “It’s a substantial loss. Those companies, we are not looking at some small millions.

“We are looking at hundreds of millions or in billions. “There are many corporations, multinational corporations, that are out there that are making so much money but paying little or no tax to the Government. “That’s where the focus of the IRC under my leadership is at the moment.” When queried last year by this paper on which mining companies where not paying tax, Mr Koim said the IRC had completed the audit of a major mining company and were in the process of completing a further two. He had said the IRC was aware of some common practices of tax evasions and are taking action on those matters. “PNG’s extractive sector has a profit-based corporate income tax regime where companies in that sector can only pay their taxes if they make their profits,” Mr Koim said. “We have discovered that a lot of multinational corporations undertake aggressive tax planning where they’ve minimised or illegally distorted their tax liability through such practices.”

27km ring road for Lihir

February 9, 2023, The National



Lihir ring road project stakeholders taking part in the ground-breaking ceremony. From left: Works and Highways Department’s Solomon Pela and Collen Dickson, Civil Aviation and Transport Minister Walter Schnaubelt, Mining Ministry first secretary Uvenama Rova, Nimamar local level government president Stanley Tunut, acting Newcrest general manager Patrick Fordyce and Dekenai Construction representatives. – Picture supplied

THE 27km ring road construction and sealing on Lihir Island in New Ireland is just one of several projects identified in a memorandum of agreement (MOA), a cabinet minister says. The K150 million Lihir road project was launched last Wednesday at Palie Catholic Mission Station. This came after locals from the western areas of Lihir Island, wards eight, nine and 10 protested in 2018 and 2019, petitioning the Government and other stakeholders to fix the road. Civil Aviation and Transport Minister Walter Schnaubelt, who thanked the people of Lihir for their patience, said: “If there is any positivity or hope from the ground-breaking, it’s the partnership between all stakeholders.

“This partnership is important to achieve the remaining projects under the MOA. It takes a partnership to deliver any kind of project. “This partnership is like a ‘marriage’. All partners have their role to play, and the people of Lihir must also play your role.” Schnaubelt, who is also the Namatanai MP, commended Newcrest Mining Ltd for sealing the road from Zuen to Palie on the eastern side, and said the Government would now seal the outstanding 27km from Palie to Zuen on the western side. As outlined in the MOA, Lihir Gold Ltd was responsible for the upgrade of the component on the eastern side which had already been completed. The contract for the sealing and upgrade of the project was awarded to local company, Dekenai Construction Ltd, and had begun work on the project.

Leaders urged to return, support govt services in Porgera

February 9, 2023, The National



Kapili Kopas, from Kulapi Four village, wondering when the Porgera mine will reopen. She took a break after climbing a hill. She spent the day panning for gold at a nearby river and is seen here preparing to make her way home with firewood and a gold pan. – Picture courtesy of Solomon Andale of Ipili Photography

A LANDOWNER executive is urging landowner leaders from Porgera, Enga, to return and support government services which were restored this month. Lease for Mining Purposes chairman Timothy Andambo said all stakeholders must work together to prepare for the reopening of the Porgera gold mine. Andambo was also concerned about individuals claiming to represent the mine landowners. “Any leader who wants to advocate on behalf of the people must be on the ground in Porgera and get consent from the people,” he said. “These individuals have to be legitimate or sanctioned by authorities. “If not, they are basically representing themselves.”

Andambo stressed earlier that the national economy depended on the mine being reopened to help ease the foreign exchange shortage issue. Recently, the National Executive Council (NEC) appointed three independent experts to review the tax dispute between the Internal Revenue Commission and Barrick Niugini Ltd (BNL). A Government statement said it was concerned about the “tax matter” delaying the reopening the Porgera gold mine. Barrick Niugini Limited said: “We note the statement announcing the NEC’s establishment of an independent review panel to examine the tax dispute between the IRC and BNL. “If the panel can assist in seeing the matter be resolved fairly, amicably and in accordance with PNG law, we welcome its appointment.” Andambo said: “The parties committing to the tax issue is a positive thing (which) we applaud.”

Focus on helping resource owners

By PETER ESILA, February 9, 2023, The National Business



Locals welcoming Western Governor Toboi Awi Yoto (left) and delegates during the commissioning of the Rumginae water supply project outside Kiunga, Western, on Tuesday.
 — Nationalpics by PETER ESILA



From left: Mineral Resources Development Company managing director Augustine Mano, Mineral Resources Community Mine Continuation Agreement chairman James Assan and Western Governor Toboi Awi Yoto during the commissioning of the Rumginae water supply project.

MINERAL Resources Development Company (MRDC) managing director Augustine Mano says people living in resource project areas must benefit from the resources. Mano said they lived in some of the most remote areas of the country, such as Rumginae outside Kiunga in Western where a K3 million water supply project was commissioned on Tuesday.



Mineral Resources Development Company (MRDC) managing director Augustine Mano (left) and Mineral Resources Community Mine Continuation Agreement chairman James Assan during the commissioning of the Rumginae water supply project.

“I want to assure the community here that the MRDC will to work with the Mineral Resources Community Mine Continuation Agreement (MRCMCA) to deliver impact projects to lift the living standards of every family here,” he said. “Our community infrastructure development funds will focus on delivering clean water, improved health and education services, and lifting agriculture production.



Locals during the commissioning of the Rumginae water supply project outside Kiunga, Western, on Tuesday.

“Your future generation’s funds will also be invested wisely. “So when the Ok Tedi Mine closes down in 10 years, there is a sustainable flow of income from investments to support you into the future.” Mano said all resource projects such as the Ok Tedi mine had an end-life. “We must invest now to prepare for that day,” he said. “There is limited government services, with virtually no supply of water or electricity in these remote areas.



“I am pleased that this service will be accessed by all, including residents of the Mission Station, the Rumginae Rural Hospital and



A villager testing the tap after the commissioning of the Rumginae water supply project.

School of Nursing, students and teachers of the Rumginae Elementary School and Rumginae Primary School. “The water supply will improve the water and sewage systems for the institutions in the Station. “This is bringing relief for the students, workers, patients, family members and the community who would be connected to its network.”

KPHL outlines its 2023 plan

February 9, 2023, The National Business

Kumul Petroleum Holdings Ltd (KPHL) is the country’s petroleum company, whose activities are governed by the Kumul Petroleum Holdings Ltd Authorisation Act 2015. It manages the State’s 16.57 per cent equity shareholding in the US\$19 billion (about K66 billion) PNG LNG project.

It has a mandated option to take up to 22.5 per cent equity in any operational petroleum project. Apart from its project and licence area shareholding, KPHL is the operator of four petroleum retention licences. It has established the Kumul Petroleum Academy for specialist industry training, supports the construction of rural electrification infrastructure, health infrastructure and services (especially cancer and heart disease-related), various sporting codes and other community development initiatives. KPHL managing director WAPU SONK discussed with Business Editor SHIRLEY MAULUDU some of the company's plans.

Q: What is the update on the KPHL's plans as regards the floating storage regasification and power units?

SONK: Kumul Petroleum has liaised with the proponents of the Wafi-Golpu mine with regard to supplying them with gas, so that electricity can be generated as necessary for their mining operations. In mineral processing, a reliable and uninterrupted power supply is absolutely essential for underground and 24-hour operations. Wafi-Golpu is considering the co-generation of electricity using renewable hydropower alongside gas-fired generation. KPHL plans include the mooring of a floating LNG storage and regasification facility on the Morobe coast. This can be re-supplied by small coastal LNG tankers. The LNG facility would be able to supply gas to the Wafi-Golpu mine site via a pipeline, as fuel for power generation. Once this LNG storage facility is in place, it will supply surplus gas for the generation of electricity for Lae, and be a hub for the supply of LNG to other users, such as the Lihir mine and smaller Pacific island countries.

Q: How much equity will the State acquire in the Papua LNG Project?

In line with the Oil & Gas Act, the State will be acquiring a 22.5 per cent shareholding in the forthcoming Papua and P'nyang LNG projects. Maximising national content in major resource development projects is vitally important — through having a significant shareholding dividend stream as well as ensuring that these projects employ and train as many nationals as possible and engage national contractors. It is also important to remember that when KPHL pays for the 22.5 per cent equity in the LNG projects, this includes two per cent equity that is “free-carried” for impacted landowners' provincial and local level governments. In past petroleum projects, the cost of this two per cent equity was paid by the Government. So now KPHL has relieved them of this financial burden. This means that KPHL covers all the costs of this two per cent project shareholding transferred to recognised landowners, impacted provincial and local-level governments, who then benefit from a regular annual dividend stream, long-term benefits.

Q: How many LNG cargoes were shipped from the PNG LNG project last year?

In 2022, 109 LNG cargoes were exported by the PNG LNG Project.

This is much higher than originally predicted when the LNG plant was constructed. KPHL and all stakeholders are happy that for the last few years, the LNG plant has in fact operated above its nameplate capacity of 6.9 million tonnes per annum, and has consistently enabled exports of more than eight million tonnes of LNG annually. These higher production levels mean that over and above fulfilling long-term LNG supply contracts to Asian customers, the PNG LNG Project has been able to earn additional income from what are known as “spot sales” of LNG cargoes.

Q: What is the current price of a shipment of LNG?

This is not necessarily an easy question to answer for a number of reasons. The export price of LNG to long-term customers is linked to the ever-changing international prices of oil and gas. The price of “spot” LNG cargoes will differ from LNG cargoes to regular Asian customers. The size and capacity of LNG tankers used to transport LNG from PNG to markets in Asia will vary. So the value of each cargo will change accordingly. Therefore, all I can say is that over a 12-month period, the average value of a shipment of LNG leaving the shores of PNG is US\$60 million (about K215 million). This sounds like a huge amount of money. But one has to remember that from this gross income, the individual PNG LNG Project joint venture partners have to pay for the costs of LNG

production, processing, and transport. They also have to meet their loan financing costs, the repayments on the funds they borrowed to establish the LNG development in the first place, plus pay their wages and corporate taxes.

Q: How much revenue did the Government make from the PNG LNG Project last year?

The Government earns revenue from resource projects such as the PNG LNG Project in a number of different ways, such as through the receipt of royalties, development levies, production levies, company tax, salary and wages tax of employees and sundry withholding taxes and import duties. Additionally, if the State has a shareholding in the project, it will receive dividends, a percentage of the profits that the project makes. Each of these revenue streams are managed by different Government instrumentalities, who you would have to approach to get their financial statistics. In the case of the PNG LNG Project, the State holds some equity through Kumul Petroleum Holdings, which receives distributions from this shareholding. KPHL in turn pays the Government annual dividends after covering costs of its operations, progress of its national development projects and retention of funds for future investments.

I can only comment on what Kumul Petroleum has paid to the Government. Last year, we paid the State K400 million in dividends. Since LNG exports started in 2014, KPHL has paid more than K2 billion in dividends alone to the State. Since 2014, KPHL has expended more than K6 billion in the form of dividends, return of capital, corporate taxation and national development projects. It is evident that the petroleum sector, which includes the PNG LNG Project and oil exports by Santos, is a significant revenue earner for the country.

Q: Any expectation on what the LNG market will be like this year?

As I said earlier, the price of LNG is linked to the international price for oil, which in turn is influenced by many factors including conflicts such as the Ukraine hostilities, extreme weather events and in fact, anything that influences the world's usage of petroleum products for industry and transport. The operational lives of petroleum production fields and the tenure of long-term LNG sales contracts also has an influence on international prices. KPHL consults with internationally-recognised advisers who take into account the many price-influencing factors at play in the short and medium terms and make educated predictions of the likely future prices of oil and gas. We understand that during 2023, the petroleum market will remain buoyant, so that PNG should continue to earn a useful income from its international LNG sales this year.

Q: Explain briefly about KPHL's involvement in the country's health sector.

For a number of years, KPHL has been concerned that the Health Department has been insufficiently funded to acquire essential infrastructure and equipment to treat the increasing number of people suffering from lifestyle illnesses such as cancer and heart disease. Kumul Petroleum therefore made major commitments to address this situation. In 2020, we committed to provide K50 million over five years towards the development of the National Heart Centre at the Port Moresby General Hospital. The facilities were officially opened by HRH Princess Anne last year. Their life-saving activities, which include more than 1200 "stent" operations, have had a really positive impact. The high cost of this sort of operation in overseas hospitals would have not been available to many patients. So the National Heart Centre has saved lives and significant costs. In 2020, Kumul Petroleum committed to provide K15 million over three years to support the activities of the cancer treatment unit at the Angau Memorial Hospital in Lae. This is ongoing. These two interventions are KPHL's "big ticket" support of the health sector. But we have also supported other health-related initiatives including the provision of equipment to regional hospitals.

Q: What are the priority areas of KPHL in sports this year?

For a number of years, Kumul Petroleum has supported several sporting codes including golf, cricket, soccer, basketball, rugby union and rugby league — the latter primarily through our support

of the Kroton Wigmen rugby league team. KPHL will continue with many of these multi-year sponsorships, particularly our support of efforts to have a PNG team participate in the Australian NRL competition. The recent World Cup competition demonstrated the depth of talent we have in PNG, as does the signing of national players to overseas teams. It seems to me that the time has come for a PNG team to play in the Australian premier league. But we have not forgotten some of the other sports which also have up-and-coming young talents. Last year, we funded the PNG men's basketball team's attendance at the FIBA Melanesia Cup in Suva, Fiji. And in late January, KPHL will enter into an agreement with the Port Moresby Racquets Club to support their Junior Squash Development Programme during 2023.

Petroleum Resources Kutubu pays K120mil taxes

By PETER ESILA, February 9, 2023, The National Business

PETROLEUM Resources Kutubu (PRK) presented to Internal Revenue Commission (IRC) a K120 million tax liability payment in Port Moresby yesterday. PRK chairman John Kapi Natto told IRC commissioner-general Sam Koim that the company remained committed to paying its fair share of taxes. The K120 million is a liability from 2011 to 2020. "We have been here for the last 20 to 25 years as a landowner company, I know we have been paying 50 per cent tax in the oil and with the LNG, we have been paying 35 per cent tax, sometimes you look at the landowner companies, we think that they will not meet up to their responsibilities, but I think today, you look at the land owner companies who continue to pay taxes to IRC, the people of this country and the Government," Kapi Natto said. Kapi Natto said PRK was committed to its national obligation in paying taxes and providing employment for Papua New Guineans as well as investing in other social obligations.

"This presentation shows that we as landowners, as a company with many other companies, comply to pay our taxes and to stay on course," he said. Koim said the K120 million was a legacy tax. "This is a legacy tax, they have the current tax obligation which they are working on and complying with, but this is a legacy tax that the IRC worked with the PRK, MRDC (Mineral Resources Development Company) to crystalise and reassess the amounts." MRDC managing director Augustine Mano said: "We are bringing all our subsidiary groups for compliance and many times you hear, we do projects there, but this is what we give back to the country and we want to be a compliant entity in this country. "We are setting that benchmark, not only for PRK but for all our subsidiaries. "In 2018, we have had earthquakes and low oil prices but now, the prices are good and so we want to settle all our obligations to the State."

Manau: Oil depleting, new explorations a major challenge

BY JEFFREY ELAPA, Post-Courier, 7 February 2023

The country's Kutubu oil fields are almost depleted with the South East Gobe fields in the Southern Highlands Province being planned for decommissioning, says the Secretary for the Department of Petroleum David Manau. Mr Manau, in the sector brief, said with the country's oil fields depleting, the future of the industry remains in gas production, with an estimated total recoverable gas reserves (2P) of more than 25 trillion cubic feet of gas (tcf). Out of this, 10 tcf is committed to the PNG LNG project, 6.2 tcf is committed to the Papua LNG project and 4.32 tcf is committed to the P'nyang LNG project. What remains of oil will be condensate production from the gas fields. He said the country is also experiencing a slowdown in new petroleum explorations in the country over the past four years due to the worldwide impact of the COVID-19 pandemic, but that is now slowly picking up.

Mr Manau said in other development, the sector has also experienced the exit of other bigger players in the industry but there are also other new players entering the country and the industry is picking up slowly. He said the shortage of foreign currency in the local economy has adversely affected the industry to some extent, as companies struggle to secure enough foreign currency to sustain their operations in the country. He said the petroleum sector is one of the key extractive industries in PNG and plays an important role in the development and sustaining of the country's social and economic welfare directly and indirectly. However, he said, PNG still remains a huge exploration potential today, with four of its five petroleum basins remaining largely underexplored as most explorations and discoveries are happening in and around the Papuan Basin.

Mr Manau said unlike in the past where there was a rush in exploration activities, continued interest in the exploration for new oil and gas discoveries remains a bigger challenge for the industry and the department is looking into ways, including improving policy environment as well as offering new incentives, to attract further interest as the future of the industry remains in unlocking the potential of the underexplored petroleum basins like Cape Vogel Basin, New Ireland Basin, North New Guinea Basin and the Bougainville Basin. He said looking back, oil was first discovered at Vailala in Gulf Province in 1911 but commercial discovery was not made until in the 1980s. The first well commenced drilling at Kariava in Gulf Province in 1941. Oil production only started at Kutubu and Agogo in 1991 followed by gas production at Hides with the Hides Gas to Electricity project in 1992, further followed by South East Gobe, Gobe Main and Moran oil fields in 1998 and LNG production in 2014.

Lihir launches K150mil ring road after long wait

February 3, 2023, The National



Guests being led by New Ireland traditional dancers to the ceremonial area for the launch of the K150 million Lihir road project – Picture supplied

THE long-awaited K150 million Lihir road project was officially launched on Wednesday. This came after locals from the western areas of Lihir Island, wards 8, 9 and 10 protested in 2018 and again in 2019, petitioning the Government and other stakeholders to fix the road. President of the Nimamar local level government (LLG) Stanley Tunut said he stood with a heavy heart at the launching of the road, thinking of the years of protests, petitions and calls by his people regarding the status of the road. "I join hands in appreciation and thank all parties involved in the continuous dialogue over the last couple of years that has led to the setting up of a development framework that has given approval for this milestone project," he said.

“This long overdue Lihir ring road project was part of a package under the mine development. “This road sealing and upgrading of more than 27 kilometers, starting from Zuen village in ward 11 to Palie in ward six of the LLG was one of the first of 20-plus projects identified under the Lihir MOA. “I thank the Government who committed 50 per cent and the Newcrest Mining company who committed the other 50 per cent to fulfil the sealing and upgrading of the road.” Namatanai MP and Minister for Civil and Aviation Walter Schnaubelt, who was present to witness the ground breaking ceremony, also thanked the Government and Newcrest Mining Ltd for working together to deliver the first project under the MOA.

EITI: Respect Porgera tax issue: Official

February 3, 2023, *The National Business*

THE existing law governing taxation matters must take precedence over any political intervention, a Papua New Guinea Extractive Industries Transparency Initiative (PNGEITI) official says. PNGEITI national secretariat head Lucas Alkan said this while responding to the “tax issue” that was delaying the reopening of the Porgera gold mine in Enga. “The Papua New Guinea Extractive Industries Transparency Initiative commends *The National* for attempting to bring to light what appears to be the final outstanding issue in the Porgera mine recommencement negotiations,” he said. “We’ve noted from the reporting that taxation matters are legacy issues that appear to be standing in the way of the multi-million-Kina Porgera gold mine reopening. “We have observed that the Government was on track to conclude negotiations and reopen the mine last June, however, this did not eventuate as anticipated.”

Attempts to reopen the mine in the second half of last year were not feasible due to the General Election 2022 (GE22) and the formation of Government. Alkan said it appeared that all negotiations were concluded and a new Porgera mining agreement framework was in place for the mine to be reopened in the first quarter of this year. “Surprisingly, we learned that an old Porgera tax liability dispute is standing in the way of the mine’s reopening,” he said. The early recommencement of the mine, preferably within the first quarter of this year was critical for the country, as the lead time required for mobilising resources and the significant start-up capital needed to get the mine back into its full operating capacity would be a challenge.

“On this, we are aware that there are also ongoing discussions with the developer and the Government as to who is going to meet the startup cost, but we understand BNL might meet the full cost of starting up the mine and Government would refund later, but we are unsure whether this understanding has been reached,” Alkan said. “With regards to the current standoff, the EITI, based on its global best practice principles was of the view that the existing laws governing taxation matters must take precedence over any political intervention.” Alkan further added that they did not know the specifics of the ongoing tax matter, however, do understand that this might be related to a tax dispute regarding the old Porgera mine.

MBG eyes better Woodlark deal

February 3, 2023, *The National Business*

THE Milne Bay government will sign a memorandum of agreement (MOA) for the Woodlark gold project in the province only if the equity is increased from two to 30 per cent. Samarai-Murua MP Isi Henry Leonard said the provincial government also wanted the relocation exercise completed. “I moved a motion (at the recent provincial assembly meeting) that we (do not sign) the MOA until they capture the provincial government, the local level governments and the landowners,” he told *The National* yesterday. “What we (want) is that they increase our equity. “We currently have two

per cent equity in the project. “But we are pushing for 30 per cent equity. “I moved that we postponed the signing and review of the MOA, and increase our equity from two per cent to 30 per cent. “We will not sign until they renew the MOA and increase our equity.”



He also said the provincial government wanted the relocation exercise for impacted landowners completed. “We need to complete the whole relocation process and move everyone over before the mining begins,” he said. “If we don’t complete the process, then we do not move anyone and no mining will take place on Woodlark.” New homes have been built for locals as part of the relocation exercise. The company was taken to task two years ago by Leonard and the Mineral Resources Authority following reports on the substandard houses built. The relocation exercise is part of the company’s plan for the villagers from Kulumadau to Baowen, Seloka and Dikoyas, to mine resources from Kulumadau.

Foundation seeks answer on legacy tax issues

Post-Courier, 1 February 2023

A landowner group in Porgera, Enga Province has accused the National Government and the developer, Barrick Niugini Limited for allegedly conspiring to sort out a tax liability legacy for Porgera mine. Justice Foundation for Porgera said yesterday that the State and the developer were keeping landowners away from legacy issues which are supposed to be addressed before re-opening the mine. “It is clear that the State and Barrick agreed to resolve Barrick’s outstanding tax liability of K1 billion and re-open Porgera mine. “The legacy issues raised by the landowners and their subsequent claim of US\$13.28 billion, filed with the United Nation’s International Arbitration Centre, in Sydney Australia on the other hand, was ignored by the government and Barrick,” chairman Jonathan Paraia claimed.

He said Porgera landowners have been denied to participate in various negotiations between the State and Barrick Niugini Limited last year for the re-opening of the mine. “It is appalling that the State agreed to settle Barrick’s legacy tax issues while at the same time ignoring the landowners claim against the State itself for US\$13.28 billion,” he claimed. Mr Paraia said in accordance with a provision made in the Mining Development Contract, entered between the State and the developer in 1989, Barrick is responsible for addressing the landowners’ claim, should the claim succeed in International Arbitration. “The landowners will not enter into any agreement with Barrick or a joint venture including Barrick again in Porgera. Barrick has been disqualified by the State as a fit and

proper company to conduct mining in Papua New Guinea because of its reckless conduct in Porgera and the country generally,” he said. He said all outstanding liabilities in taxes to the State and restitution to the Porgera landowners for damages caused should be sorted out peacefully.

Foe against benefits spilt

By JACOB POK, Post-Courier, 1 February 2023

Oil and gas landowners of Kutubu in the PDL 2 project area have expressed frustrations on a recent ministerial determination gazettal notice issued by the Minister for Petroleum and Energy, Kerenga Kua, to split the benefits of the Kutubu landowners. The Foe Association which is the umbrella association of over 100 Incorporated Land Groups (ILGs) who are beneficiaries have gone to court to review the decision of the Minister and successfully obtained leave of court and an interim stay order against the decision on December 21, last year. Chairman of Foe Association, Johnny Yawari, as per the courts directive, visited Kutubu with his lawyer recently and sought the mandate of the landowners and leaders of each ILG to challenge the decision of the Minister. Mr Yawari when addressing leaders of the ILGs in Gesege village near Lake Kutubu said the decision to split the benefits was done without proper consultations with landowners. He said the Department of Petroleum and Mr Kua went ahead and decided to split the benefits to allow a minority group to get 70 per cent benefit and the rest of the 139 ILGs to get 30 per cent.

He said this decision was a slap in the face of landowners who have benefited from the project since the signing of the benefit sharing agreements some 30 plus years ago. He said the decision has brought about frustrations among the people of Kutubu who are part of the Foe Association. He said, as their chairman, he will fight for the rights of his people. Mr Yawari also called on the Prime Minister James Marape to protect the rights of the majority landowners and advice his Minister to rescind the decision. Leaders of each ILGs also expressed frustrations over the decision of the Minister and signed their affidavits to present in court when the matter returns to court sometime this week. One of the vocal ILG chairman Albert Sesemenna called on the Minister not to cause unnecessary tension among the landowners. “If something goes out of hand as a result of such decision, Minister Kua you will be blamed. We the ILG chairmen are not aware of your decision. We were not consulted. This decision of yours is not in the best interest of us the landowners and we want you to withdraw the decision immediately,” Mr Sesemenna said.

Essiba Irabo, also an ILG chairman expressed similar sentiments urged the State not to play around with lives of the people of Kutubu. “We have suffered enough with no developments and basic government services. Our only benefit is through these royalties and grants we receive from the project to sustain our livelihoods. “Such decision by the Minister without consulting us is highly irregular and not in our best interest. “And we call on the minister to withdraw the decision because we will aggressively challenge it through the lawful process,” Mr Irabo said. Close to 100 ILG leaders have already signed their affidavits in the presence of their lawyers to support their chairman Mr Yawari to fight for their rights in court. The signing ceremony commenced last Sunday, January 22, 2023 and concluded on Tuesday January 25, in respective villages in Kutubu. Two other major landowner groups in the Kutubu area are also challenging similar decision by the Minister in court.

Petroleum authority to drive operation

Post-Courier, 31 January 2023

The Department of Petroleum, in an effort to improve and enhance the efficiency and effectiveness of its administrative and regulatory functions, has now moved into a new National Petroleum Authority. The authority will be independent and self-funded by charging a fee for services to sustain

its operations. The department moving into a new petroleum authority is the intention of the government contained in the Draft Organic Law on Papua New Guinea's Ownership of Minerals and Petroleum and commercialisation of State Business 2020. Minister for Petroleum and Energy Kerenga Kua said in that Organic Law, the National Petroleum Authority is a prominent feature as an independent and self-funded entity.

Mr Kua said looking ahead, the government's general policy direction with respect to the petroleum and mining sector is to reform the mining and petroleum fiscal regime from the current royalty tax-based concession system to an appropriate production sharing arrangement system. "This will involve reform of the Organic Law on PNG's Ownership of Minerals and Petroleum to provide the constitutional basis for resources ownership as well as legislative reform to set out the details of the accepted Production Sharing Arrangement," he said. "The government will always consider a balance approach to the development of its petroleum resources for investor to make a reasonable return on exploring for and developing oil and gas resources in PNG. "This message has been made clear by Prime Minister James Marape in his speech at the recent 16th Mining and Petroleum Conference in Sydney on December 5, 2022."

PNG LNG has contributed K16.5b to state since 2014

Post-Courier, 31 January 2023

The PNG LNG project has contributed a total of K16.5 billion to the State coffers after eight years of production (from 2014-2022). This includes K7.5 billion to Kumul from the State's 19.4 per cent equity, K1.3 billion paid to Mineral Resources Development Corporation as equity for project area landowners, K0.8 billion as royalty payment, K0.7 billion development levy payment and K6.2 billion in tax payments. Secretary for the Department of Petroleum, David Manau in a statement said PNG LNG project remains to date one of the biggest capital-intensive investment projects ever undertaken in the history of the country at the capital investment cost of US\$17.7 billion (K62.4 billion), injecting millions of foreign currency into the local economy at the time of construction. In 2018, according to PNG Extractive Industries Transparency Initiative Final Report, the extractive sector, including mining, contributed 89 per cent of PNG's total exports, mainly driven by PNG LNG.

"I am happy to say that the future of the petroleum industry looks very promising with the government of Papua New Guinea signing the US\$13 billion Papua LNG Gas agreement in April 2019 to develop the Elk and Antelope gas fields in the Gulf Province of PNG," Mr Manau said. The government also signed the US\$11 billion P'nyang LNG Gas agreement in February 2022 to develop the P'nyang gas field in Western Province. "The signing of the two gas agreements defined the fiscal framework and paved the way for the commercial development of the two mega projects in the country after the successful delivery of the PNG LNG project." Mr Manau said the development of the two mega projects will certainly put PNG on the world map as the major regional LNG player, boosting PNG's GDP, creating more job opportunities, increasing government revenue and injecting more foreign currency into the local economy in the years to come, while further elevating the country as a friendly foreign investment destination and attracting more interest in the industry.

Porgera warring clans agree to stop fighting, live in peace

January 31, 2023, The National Main Stories

TWO warring clans in Porgera, Enga, have agreed to stop fighting and allow peace to prevail in the valley. Porgera crisis law and order management committee team coordinator Nickson Pakea said members of the Normali and Aiyala clans agreed to peacefully co-exist. The agreement was

witnessed by Porgera Magistrate Nancy Lipai and government officials. Last July, a fight between the two clans resulted in a number of deaths which included women and children. At one stage, 18 people, including an elderly, men, women and children, were slaughtered within two hours.

It resulted in the closing down of schools, the Paiam Hospital, and the Bank South Pacific branch. Pakea said the committee was formed by the Porgera Chamber of Commerce, Porgera Women in Business, Porgera Station commander, PNG Defence Force, Porgera churches and government officials to facilitate peace between the two clans. "Other underlying issues of the conflict will be channelled through the legal and customary systems between the two clans to reach a settlement," Pakea said. The initial fight between the two clans was in February, 2021, in neighbouring Kairik village, allegedly over land ownership.

Ten PDLs in operation, says dept

January 31, 2023, The National Business

THERE are 10 active petroleum development licences (PDLs) in the country, according to the Department of Petroleum and Energy. Department secretary David Manau stated in a paid advertisement that the PDLs were held by three operators, as of December 2022. "A PDL is basically a development licence to develop an already established economically and technically proven and viable petroleum discovery with a 25-year initial tenure and a further extension of 20 years," he said. "There are 10 active PDLs with three operators. The three operators are Santos (then Oil Search) with five PDLs, ExxonMobil with four PDLs and Arran Energy with one. "Recently, Twinza Oil, ExxonMobil and Horizon Oil (Arran Energy bought off Horizon Oil's interest in PNG) applied for a PDL for the development of Pasca gas field in PPL 328 (APDL 14), P'nyang gas field in PRL 3 (APDL 13) and Ethe levala Ketu gas fields in PRL 21 (APDL 12) respectively," Manau said.

"It is anticipated that Total will follow suit by applying for a PDL for the development of the Elk Antelope gas fields in PRL 15 for the proposed Papua LNG project. "Note that the Stanley gas field over which PDL 10 was granted to in 2014 is yet to be developed due to drop in Oil prices at that time. The new operator for PDL 10 now is Arran Energy." Meanwhile, Manau explained that the PNG petroleum licensing regime was a sequence of processes between an application for petroleum license and the termination of that license if awarded. In between, this system covers the process for any type of petroleum license:

- APPLICATION for a petroleum license;
- REVIEW and recommendation by the petroleum advisory board;
- AWARD or refusal of a petroleum licence;
- IF awarded, compliance during tenure of licence; and,
- TERMINATION of licence at the end of tenure or surrender or cancellation of a licence.

Develop oil, gas reserves

January 31, 2023, The National Business

PAPUA New Guinea has five petroleum basins which has the potential to hold hydrocarbon reserves, according to Department of Petroleum and Energy. Secretary David Manau in a paid advertisement said they included Papua Basin, Cape Vogel Basin, New Ireland Basin, North New Guinea Basin and the Bougainville Basin. "The Papua Basin is the only petroleum basin system in the country that has been fully explored and currently producing oil and gas with 89 per cent licensed," he said. "The other four basins are still under explored and there could be potential for oil or gas. "More effort and support from the State in terms of policies and incentives are required to

encourage exploration in the four underexplored basins to unlock the country's oil potential." Manau added that commercial discovery of oil in PNG was not until in 1986 and production started in 1991 from the Kutubu oil fields.

"The country's producing oil fields are now almost depleted with remaining recoverable reserve of 48,872 MSTB as of December 2019. "No new oil discovery has been made as yet. "Condensates from the gas fields, are the only remaining oil reserves of the country. More effort from the State in terms of policies and incentives are required to encourage exploration in the four under explored basins to unlock the oil potential. "PNG has an estimated total recoverable gas reserves of more than 25 trillion cubic feet of gas (tcf). "All discovered gas fields are located in the Papua Basin and most of them are marginal and stranded gas fields. "Out of this, 10 tcf is committed to the PNG LNG project, 6.2 tcf is committed to the Papua LNG project and 4.32 tcf is committed to the P'nyang LNG project."

Manau tells of challenges in payment of K120m

Post-Courier, 27 January 2023

The payment of the K120 million capped fund for landowners in the Hides, Gobe and Moran petroleum projects has had a series of issues resulting in the delay of payment. Secretary for the Department of Petroleum (DPE), David Manau said in a statement that during the disbursement of funds, the Expenditure Implementation Committee (EIC) and DPE encountered various challenges from landowners who were aggrieved by the EIC decisions. EIC is the authority approved by NEC to manage and disburse the approved funds under the EIC screening and approval process.

"These challenges include court litigation, claims of missing out on the capped MoA payment, allegations of misuse of funds and establishment of a capped MoA trust account. These challenges all had the potential to derail or impede the whole administration of the capped MoA payments process," Mr Manau said. "It is apparent from the court challenges and the number of missed payment claims that the stakeholders, especially landowners, were not fully conversant on the EIC screening and approved processes. "The EIC process is completed and the full list of successful proponents from Hides, Kutubu, Gobe and Morn have been published on Thursday January 25, for the benefit of all stakeholders."

Porgera mine tax debate

By GYNNIE KERO and SHIRLEY MAULUDU, January 27, 2023, The National Main Stories

INTERNAL Revenue Commission (IRC) Commissioner-General Sam Koim says the "old Porgera" tax issues relating to Barrick (Niugini) Limited should not be used as an excuse to delay the reopening of the Porgera mine. He was reacting to a statement by Prime Minister James Marape this week blaming the delay in the reopening of the mine on a "tax issue". "We are almost there. There is just a tax issue standing in the way of Porgera being reopened," Marape said. Last week, Barrick chief executive officer Mark Bristow gave an ultimatum to the State parties to resolve all outstanding issues by March 31. Koim said yesterday Bristow did not mention what "outstanding issues" were holding up the reopening of the mine. "I cannot discuss the specifics of an ongoing tax matter (but suffice to acknowledge that Barrick has a tax dispute concerning the old Porgera," he said.

"The matter is at the conclusion stage of the tax dispute resolution process of the IRC, and lawfully, if the decision of the Commissioner-General still aggrieves Barrick, the taxpayer can exercise its rights to seek recourse in the next appellate process. "That process is not unique to PNG and exists in all countries Barrick operates in." *The National* understands that there was a clause inserted in

the New Porgera framework agreement in which the resolution of Barrick's old tax liabilities was a condition for reopening the mine. Koim said "that provision contravenes the provisions of the Income Tax Act and to that extent is unenforceable from the rest of the agreement". "And Barrick knows that very well," he said. "In the present case, Barrick insists that the IRC accepts its position, even if it goes against the grain of the law. "It seems Barrick is seeking a political solution to its legacy tax problems, some of which are very technical matters even for non-experts like me to understand."

Koim thanked PM Marape and the Government for being "forthright in informing Barrick that the IRC independently administers tax matters, and the Government is not in the business of breaking its own laws". "The Government is very conscious of setting a very bad precedent," Koim said. "Barrick should not use the pressure of reopening the mine to force the Government to address its tax problems. "The mine should reopen immediately while Barrick addresses its 'old Porgera' tax liability following the due process of law. "We hope that Barrick is sincere and acts in good faith to resolve this matter using due process of law."

Last night in response, Barrick (Niugini) Limited (BNL) said it was "deeply disappointed that the Commissioner-General of the Internal Revenue Commission has chosen to speak publicly about a confidential tax matter. "The Income Tax Act requires that officers of the Internal Revenue Commission, including the Commissioner-General, treat as confidential the information and tax affairs of all taxpayers. "BNL would expect the law to be observed by holders of high office. "BNL has always administered its financial affairs in accordance with the laws of PNG and believes the matter should be dealt with in accordance with the law and obligations of fairness and confidentiality." Koim declined to disclose the amount of tax owed by Barrick. It is understood that the tax audit was conducted in 2013.

Marape discusses Pasca A delay

January 27, 2023, The National Business

SOME regulatory issues need to be sorted before discussions can recommence between Twinza Oil Ltd and the State, Prime Minister James Marape says. Marape made the statement on Wednesday when commenting on the status of the Pasca A project in Gulf. "Twinza has got regulatory issues with the Department of Petroleum, as custodian of regulatory matters," he said. "The Pasca project is a small low hanging project within reach. "The Petroleum Department has done its bit. "The project partner has given its view and we are taking the review holistically to see whether it can be reviewed as far as where it is today. "As the Government, we want to tick off Porgera, Papua LNG, P'nyang LNG, Pasca A and of course Wafi-Golpu." Twinza's country manager Roppe Uyassi recently told *The National* that the company was ready to progress the project and was awaiting re-engagement with the State through the state negotiation team (SNT).

Meanwhile, Marape urged investors to follow laws in place within the respective industries. "I just want to encourage all the foreign investors in our country, we don't run a banana republic, we have due processes and outcomes and we have laws," he said. "Comply with all requirements of law in our country. "If you get an exploration licence, deliver to the intent of that licence. "If you have a retention licence, deliver to the conditions of the retention licence. "If you are applying for a development licence, comply to the rules of engagement. "Those are prescribed by law. James Marape will not circumvent or any minister will not circumvent. "Some of those licence requirements are possibly not met by investors, the holder of those regulations and titles have to check against the requirements of those legislations."

Tax issue delaying reopening of mine: Marape

January 26, 2023, The National



Porgera Station since last November has been back to the usual day to day business thanks to constant military and police presence. Prime Minister James Marape says a “tax issue” is delaying the reopening of the Porgera gold mine. – Picture supplied

PRIME Minister James Marape says a “tax issue” is delaying the reopening of the Porgera gold mine. “Both parties have been working to ensure (negotiation on the reopening) is progressed,” he said. “We are almost there. There is just a tax issue standing in the way of Porgera being reopened. “Just because we are silent does not mean that we have not been working (on getting the mine reopened). He said, he as Prime Minister, did not have the authority to impose on the Internal Revenue Commission (IRC) what to do. “The IRC has its constitutional office and constitutional mandate (on how to carry out its work),” he said “They are almost there with their assessment.

“We will be looking at their assessment to see whether they are consistent with the law. (There is) nothing much (else) we could do. “Otherwise, everything is almost complete.” Marape said it was clear that Barrick “is committed to reopening the mine and the Government through Kumul Mining Holdings Ltd as a partner is also committed to reopening the mine”. “It should open sometime this year. That I am quite sure about because I know what we are doing behind the scene.” Meanwhile, Lease for Mining Purposes chairman Timothy Andambo said re-opening the multi-million Kina Porgera gold mine would ease the country’s foreign exchange shortage issue. He said yesterday that Porgera was a national asset. “It generates the US dollars this country needs.”

Pressing issues slow reopening of mine

January 25, 2023, The National

ENGA Governor Sir Peter Ipatas has blamed “pressing issues at hand” for the delay in reopening the Porgera gold mine. He did not explain what the issues were but said it had nothing to do with the provincial government. Addressing the Enga assembly members in Wabag recently, Sir Peter admitted that for the past three years, the internal revenue of the province had been badly affected by the closure of the mine. “Impact projects funded by the tax credit schemes and other royalties from the mine had not happened since May 2019 when the Porgera gold mine (was told to) shut down its operations,” he said. Sir Peter also highlighted the difficulties faced by the provincial government since the closure. He thanked the Government for allocating more development and project funds to the province since the closure.

ENGA Governor
Sir Peter Ipatas



Barrick Gold Corporation chief executive officer (CEO) Mark Bristow who was in the country last week and visited the mine site urged all PNG parties involved in the mine reopening negotiations to complete the process by the end of the first quarter this year. “The Porgera mine has been closed for almost three years without a good reason,” he said. “When I visited the mine, the landowners and community pleaded for the restart of the mine so that the local economy could be revived to put an end to their suffering. “Despite the partnership with the State that we have built, it is unfortunate that certain critical issues remain to be resolved to enable the restart of the mine.” Porgera was placed under care and maintenance in April 2020.

State working on issues

By PETER ESILA, January 25, 2023, The National Business



Lime plant at Porgera gold mine. The Porgera gold mine was placed under care and maintenance since April 2020. – Picture courtesy of Porgera Joint Venture

KUMUL Minerals Holdings Ltd (KMHL) chairman Dr Ila Temu says the State is working on outstanding issues that need to be met before the reopening of the Porgera mine in Enga. Barrick Gold Corporation chief executive officer Mark Bristow, who visited the country last week, urged parties in the country involved in the Porgera mine reopening negotiations to have them completed by the end of March. Temu said he was aware of Bristow’s position and they planned to expedite outstanding issues on the State’s side. “We are working on the State’s side with the State Solicitor, Mineral Resources Authority (MRA), Department of Mining and the State negotiation team (SNT) to try and progress all the outstanding issues,” he said.

“Outstanding issues are like the application for the new special mining lease (SML), the transfer of the old SML and the cancellation of that SML by MRA, the new environmental permit, the mining development contract, and things like that are on the State’s side to progress and complete so we are driving those things to completion,” he told *The National* yesterday. “On our side KMHL is taking the lead in those.” Temu said he was confident that the State would complete its work to reopen the gold mine. “With that deadline in mind, I am confident that we can resolve all the outstanding issue and all the outstanding agreements will be finalised well before then (March). “It is a fair bit of work, but we are confident that we will progress and we will meet that deadline to reopen Porgera.”

Bristow said the Porgera mine had been closed for almost three years without good reason. He said from his meetings with landowners and community, the people had pleaded for the reopening of the mine so that the local economy could be revived and end to their struggles. Porgera was placed under care and maintenance in April 2020. “Delaying the restart of Porgera is not in any stakeholder’s interest, especially the people of Porgera and PNG who have been deprived of the economic benefits of the mine for too long,” Bristow said. “It would be remiss of us to ignore the impact that the mine closure has had on the residents of Porgera valley, local and national businesses, and the country’s economy. “Barrick is ready to start the process of reopening the mine. “What is needed is equal urgency on the part of all other parties to resolve the remaining issues.” Bristow also urged government agencies to restore essential services.

Barrick, landowners ready to negotiate reopening of mine: Official

By KELVIN JOE, January 24, 2023, The National Business

BARRICK Niugini Ltd (BNL) and Porgera landowners are ready to negotiate the reopening of the mine in Enga, says Porgera Women in Business group president Elizabeth Iarume. Iarume said the landowners and community leaders met with the company management in Porgera last Wednesday to discuss the reopening of the mine this year. “We are waiting for the Government to speed up the negotiation process and inform the shareholders and landowners when they are ready to open the mine,” she said. “As landowners and business owners, we are ready and want the mine to be reopened.”

Iarume said the Government had called it a “short-term pain and long-term gain” but the situation in Porgera had worsened with business activities, cash flow, basic services delivery, crime and security have all failed. “The Government is delaying the negotiations without thinking about the welfare of the businesses, landowners and the community,” she said. Iarume said the landowners wanted the mine to be reopened following the visit of Barrick Gold Corporation chief executive officer Mark Bristow last week. “He wants the mine to be reopen soon as the company had all the equipment, machines and technical skills ready,” she said. “All the mine equipment and machines are ready but the Government did not speed up the process.”

New board for OTML

By PETER ESILA, January 24, 2023, The National Business

NEWLY appointed director of the Ok Tedi Mining Limited Dr Ila Temu says the new board is confident it can improve the performance of the state-owned mine. Temu said he was appointed through his position as chairman of Kumul Minerals Holdings Limited (KMHL). KMHL is the majority owner of Ok Tedi mine, the other owners are the Western provincial government and Mineral Resources Development Company (MRDC). Temu said Western and MRDC had one director each on the OTML board while KMHL had five directors. He has over 25 years of experience in the mining industry, mostly in Porgera. He said KMHL had a new managing director who was also on

the board of OTML and the inclusion of such personnel would widen the capacity of the board to improve Ok Tedi's performance of its life.

OTML, in a statement yesterday, confirmed the changes to its board. OTML conducted its board meeting on Sunday where board members Nellie James, who was KMHL chairman and an OTML director, as well as OTML chairman Dr Roger Higgins ended their terms in their respective roles. "The company is grateful to both for their positive contributions," OTML stated. The new directors joining the OTML board are Temu, Sarimu Kanu and Jeffrey Innes. Kanu is the KMHL managing director, and Innes, who previously held an executive management position with OTML, is a director of KMHL. Kumul Minerals (Ok Tedi) Limited in its capacity as majority shareholder, appointed Innes. Innes, who is an experienced industry professional, will serve as OTML chairman with immediate effect.

Push to resolve mine issue

January 23, 2023, The National Business



Barrick Gold president and chief executive officer Dr Mark Bristow in Porgera last week.
— Picture supplied

BARRICK Gold Corporation chief executive officer Mark Bristow has urged parties in the country involved in the Porgera mine reopening negotiations to complete the process by the end of March. Bristow was in the country as part of his quarterly visit to all Barrick-owned and operated mines. In Port Moresby, he met Prime Minister James Marape, Mining Minister Sir Ano Pala, State-Owned Enterprise Minister William Duma, Internal Security Minister Peter Tsiamalili Jr, Vice-Minister of State Negotiations Jimmy Maladina, State-Solicitor Daniel Rolpagarea and State negotiation team chairman Dairi Vele. He also travelled to Porgera to meet landowner and community leaders. It was his 17th visit to PNG since joining Barrick as CEO in 2019.

"The Porgera mine has been closed for almost three years without good reason," he said. "When I visited the mine again yesterday, the landowners and community pleaded for the restart of the mine so that the local economy could be revived and put an end to their suffering. "Despite the partnership with the State that we have built, it is unfortunate that certain critical issues remain to be resolved to enable the restart of the mine." Porgera was placed under care and maintenance in April 2020. "Delaying the restart of Porgera is not in any stakeholder's interest, especially the people of Porgera and PNG who have been deprived of the economic benefits of the mine for too long.

“It would be remiss of us to ignore the impact that the mine closure has had on the residents of Porgera Valley, local and national businesses, and the country’s economy as a whole. “Barrick is ready to start the process of reopening the mine. “What is needed is equal urgency on the part of all other parties to resolve the remaining issues.” Bristow urged government agencies to restore essential government services in Porgera. The people have been unable to access health, judicial, education and banking services in the Porgera Valley due to tribal conflicts and law and order issues. Bristow was pleased with the news of the ceasefire agreement signed by tribes.

Bougainville president says gold refinery will open in a few months

Radio New Zealand, 23 January 2023

The government in the autonomous Papua New Guinea region of Bougainville believes a refinery to process gold could earn up to \$US55 million a year. The President Ishmael Toroama is promising the refinery will begin operation early this year. It has long been a scheme of the Bougainville government to provide a smelter for the many alluvial miners to discourage them from sending their raw material out of the province. Another scheme long in the planning is the Bougainville Water Bottling project and this is also due to come on tap early this year. "Bougainville must have a sound economic base that is complemented by a safe and secure environment as we prepare for political independence," Toroama said.

Miner backs poultry project in Madang

January 20, 2023, The National Business



A MINER in Madang has helped start a poultry project for a local landowner association as part of its commitment to local communities. Ramu NiCo Management Limited’s (MCC) community affairs department under its community development, fund (CDF) policy, delivered boxes of chicklets and starter stock feed bags to the inland pipeline (IPL) impacted areas. As part of a revised compensation agreement of the Ramu nickel and cobalt project an annual fund of K300,000 is given to each of the four project impacted communities. The inland pipeline impacted area has four zones: Naru, Ono, Iguuwe and Usino. Deliveries were made to 21 recipients starting from Naru to Banu last Wednesday.

The landowner association (IPL) endorsed three projects last year, school fee subsidy amounting to K219,500, poultry project with K50,000 and K30,500 to Bantik Elementary School. The company in a statement said: “The second and third phase of the poultry project is being carried and has carried through to 2023. “This chicken project was identified and proposed for funding according to the demand of the product in the area by the IPL committee. “This is the second batch of poultry deliveries made by the company to the IPL landowner association as per their agreement with the company on what projects to invest in with their annual CDF. “Each received five bags of stock feed to nurse the chickens up to six weeks until they are ready for marketing.

Santos records K6.6bil in revenue

January 20, 2023, The National Business

OIL and gas producer Santos Ltd says it has delivered sales revenue of US\$1.9 billion (about K6.6 billion) in the fourth quarter, bringing 2022 sales revenue to a record US\$7.8 billion (about K27 billion), up 65 per cent on the prior year. Santos in its fourth quarter report ending Dec 31, 2022, noted its record annual free cash flow of approximately US\$3.6 billion (about K1.3 billion), more than double the level in 2021. Fourth quarter production of 25.6 mmbbl (million barrels of oil equivalent) was slightly lower than the third quarter primarily due to reduced domestic gas volumes in Western Australia following unplanned maintenance at John Brookes. A binding conditional offer from Kumul Petroleum to acquire a five per cent interest in PNG LNG for an asset value of US\$1.4 billion (about K4.8 billion), including a proportionate share of project finance debt, extended to April 30, 2023.

Santos managing director and chief executive officer Kevin Gallagher said the company delivered record annual production and sales revenue last year, as strong base business performance positioned the company to benefit from higher commodity prices. “Free cash flow of around US\$3.6 billion (about K12.6 billion) was also a record and reduced gearing to approximately 18.7 per cent at the end of the year. “This strong free cash flow positions the company to provide higher returns to shareholders and in December, we announced a further US\$350 million (about K1.2 billion) increase in the on-market share buyback to up to US\$700 million (about K2.4 billion). “Our increased LNG position in PNG following the Oil Search merger has driven our record performance.

The LNG business is expected to remain strong with energy security being a top priority for our trading partners in the region,” Gallagher said. “We remain committed to supplying the domestic market at reasonable prices. “Average realised price for east coast domestic gas for the quarter was US\$7.74 (about K26.4)/GJ, less than half the average realised price for LNG. “Given the demand for our product now, we will seek to backfill and sustain our core assets to deliver the critical fuels the world needs into the 2040s. “But we will also seek to de-carbonise these critical fuels, in line with our emissions reductions targets, and produce clean fuels as customer demand evolves.”

Ramu landowner association calls for review of agreement

Post-Courier, January 19, 2023

A landowner leader in the Ramu Nickel/Cobalt project in Madang province is calling on Madang Governor Ramsey Pariwa and provincial administrator Frank Lau to work together in delivering the Ramu Project memorandum of agreement (MoA) review as soon as possible. Deputy chairman of Kurumbukari Landowners Association John Tigavu, on Tuesday January 17, 2023, called on the leaders of Madang to also unite to serve the people of Madang. According to Mr Tigavu, it is now common knowledge in Madang that both leaders are not seeing eye-to-eye and that is not good for the welfare of the people of Madang and the only major mining project in the province. He said the

major stakeholders in the Ramu Nickel project had already contributed their views during the consultative meeting on the Madang provincial government's position paper for the review of the revised MoA 1998 held last month at Jais Aben Resort in Madang town.

Mr Tigavu said that there were many undertakings of the Madang provincial government and administration which were not delivered since the first MoA was signed in 2013. These were discussed and captured in the position paper prepared recently after the consultative meeting at Jais Aben attended by landowners' associations and the government departments who are important stakeholders in the Ramu Nickel Project. However, it needs unity on both the part of the governor and the administrator, said Mr Tigavu. His call also came amid concerns and complaints from service providers in Madang that the situation is holding up several thousand claims from them submitted since last year to their offices. He said the provincial administrator is a Section 32 officer whose job is the chief accountable officer in the province in giving orders to provincial public servants to perform their delegated responsibilities, however, there are certain senior servants who are not adhering to orders from the PA. They are getting orders from the governor's office instead.

PNG's first offshore oil, gas project awaits re-engagement with State

By DALE LUMA, January 18, 2023, The National Business

TWINZA Oil Ltd country manager Roppe Uyassi says the company is ready to progress the Pasca A oil and gas project and is awaiting re-engagement with the State through the state negotiation team (SNT). "We are targeting re-engagement in the first quarter of this year," Uyassi told *The National*. "Progress is dependent on signing a gas agreement with the State and award of a PDL (petroleum-development license) as pre-conditions for reaching a final investment decision (FID)," Uyassi said. "We anticipate front end engineering design (Feed) will commence immediately once the gas agreement is signed and that FID can be achieved in second quarter of 2024 if the gas agreement and PDL are achieved in first quarter this year.

"We are also looking closely at our contribution to the Gulf province's development aspirations but await signing of the gas agreement and PDL award in order to progress our ideas and discussions." Uyassi could not comment on matters relating to royalties which was the State's responsibility while the developer was an observer. "However, what I can say is that the Pasca development project will pay royalties as per the Oil and Gas Act and the terms of the gas agreement," he added. "Pasca, being the country's first offshore oil and gas project, faces different logistical challenges to the land-based projects but overall the project is the low hanging fruit for the country because it is ready to go into Feed and it can be delivered relatively quickly and will start to generate substantial cash flows for the PNG Government and economy within four years from the gas agreement."

Gas field sale worries govt

January 18, 2023, The National Business

THE sale of a gas field in Western has caught the Petroleum Minister Kerenga Kua and his department secretary David Manau by surprise. On Monday (Jan 16) Manau had written to Arran Energy (Niugini) Pty Ltd to confirm the sale of the licence to Trans Wonderland Energy Venture Ltd. In that letter, sighted by *The National*, Manau requested Arran Energy in good faith to disclose necessary information for the State to understand the business transaction between the two firms. Trans Wonderland Ltd managing director Larry Andagali told The National that he would announce the purchase when all transfers were completed. A concern on PDL holders selling licenses was also raised in Parliament on Friday by North Fly MP James Donald.

Donald also questioned why Stanley gas field was never developed over the years. Kua described PDL 10 as a problematic licence. “Right from the day they issued the PDL licence, they signed a gas agreement. “What that means is that you have to move to a final investment decision within 12 months,” he said. “And after that, move into construction. “It’s close to 10 years now and no movement. “There has been no compliance with the terms and conditions of the gas agreement and no compliance with the PDL 10 licence given,” Kua said.

Nickel company hasn't received emergency payment

Radio New Zealand, 18 January 2023

New Caledonia's SLN nickel company says it is yet to be officially notified of a French government rescue package to stave off insolvency. It had been reported an urgent boost of \$US63 million would be provided to try to save the company, which is expected to run out of funds by the end of the month. SLN says the injection can only be obtained if the company regains a sustainable economic model and the ability to generate cash. Unions have been advised of a proposed restructure which involves cutting 80 jobs and aims to save \$US90 million this year. In 2016, SLN had been given a \$US600 million loan from its parent company Eramet and the French state, with the last instalment now drawn down.

PDL 2 group returning to court Feb 7

January 17, 2023, The National

THE National Court has directed the Foe Association Inc, one of the beneficiaries of the Kutubu Petroleum Development Licence Two (PDL 2) in Kutubu, Southern Highlands, to return next month. Representing the Foe Association Inc and chairman Johnny Yawari, lawyer Judy Nandape appeared before Deputy Chief Justice Ambeng Kandakasi at Waigani last week to obtain directions to proceed to reviewing a decision by Petroleum Minister Kerenga Kua on Nov 25.

This is in relation to a ministerial determination published in the national gazette on Nov 25 in which Kua exercised his powers under sections 169 and 170 of the Oil and Gas Act 1998 (as amended) and made a determination on the beneficiary clans from the Upper Foe and Lower Foe regions of PDL 2 who are entitled to receive royalty and equity benefits from the Kutubu Oil Project and the Papua New Guinea Liquefied Natural Gas (PNG LNG).

Foe Association Inc and Yawari had filed an application for leave to review Kua’s decision. The court had granted leave for judicial review and stayed Kua’s decision on Dec 21. Petroleum and Energy Department secretary David Manau, Kua and the State were named as defendants. The Foe PDL 2 resource owners’ association had also filed an application to join as a party, as the fourth defendant. Judge Kandakasi adjourned the matter to Feb 7. The Kutubu oil project was established under the repealed Petroleum Act (chapter 198). It operates under two licences, the PDL 2 which is located in Southern Highlands, and the pipeline licence two (PL 2).

Clan vetting hard, says minister

January 16, 2023, The National Business

PETROLEUM and Energy Minister Kerenga Kua says it is hard identifying landowners for resource projects, particularly oil and gas projects in the country. Kua told Parliament on Friday that identifying genuine landowners as project beneficiaries required thorough studies. Goilala MP

Casmiro Aia questioned Kua why MPs in project areas were not allowed to be part of the initial negotiations for project developments. He referred to the Elk-Antelope gas fields (Papua LNG) in Gulf and activities along the border with Central.

Kua said operator Total Energies had completed clan vetting and was now into verifications with stakeholders. “In PNG, due to our land tenure system, it is not easy,” Kua said. “Things have to require careful study. It is a sensitive issue. “No matter what the project company says in its own studies, no matter what my department says in subsequent verification studies, there is always a contest. “Some of these contests may last for years because it is not an easy landscape and we do our best to make sure that we include people as widely as possible, so we reduce the friction.”

Kua: Govt aware of PDL 10 sale

January 16, 2023, The National Business

PETROLEUM and Energy Minister Kerenga Kua says the Petroleum Department is aware of the sale of PDL 10 (Petroleum Development Licence 10) for the development of the Stanley gas and condensate project in Western. He told Parliament on Friday that department secretary David Manau had written to Arran Energy to confirm the sale of the licence. North Fly MP James Donald had questioned Kua why PDL holders continue to sell the licence but never develop Stanley. Kua said PDL 10 was a problem licence. “Right from the day they issued the PDL licence, they signed a gas agreement. “What that means is that you have to move to a final investment decision within 12 months and after that, move into construction.

“It’s close to 10 years now, no movement. “There has been no compliance with the terms and conditions of the gas agreement and no compliance with the PDL 10 licence given. “Development licence means that you must develop, but they have not developed it.” Horizon Oil Ltd in October, 2020, sold its entire portfolio of assets to joint venture partner Arran Energy Investments. Donald told Kua to confirm if the licence was sold to Trans Wonderland Ltd. Trans Wonderland Ltd managing director Larry Andagali said he would announce the purchase when all transfers were completed. “It is still in the process for PDL 10 and Ketu Elevela and Ubuntu fields.” Kua said Arran Energy was the last holder of the licence.

200 homes for mine villagers

By SHIRLEY MAULUDU, January 16, 2023, The National Business



Some children in front of a new three-bedroom house for locals affected by the Woodlark gold project. – Nationalpic by SHIRLEY MAULUDU

OPERATOR of the Woodlark gold project, GeoPacific Resources Ltd, has relocated locals from the project impact area and building more than 200 homes for them. Mineral Resources Authority (MRA) acting managing director Jerry Garry thanked the company for building proper houses and other infrastructure for locals. The new houses were built after the company was taken to task two years ago by local MP Isi Henry Leonard and MRA following media reports on sub-standard houses built for locals. The exercise was part of the company's mining plan to relocate villagers from Kulumadau to Baowen, Seloka and Dikoyas, to mine resources from Kulumadau. Garry, who was on site last Friday and Saturday, was satisfied with the standard of the new homes.

"Mid-June 2020, we were made aware of some of the sub-standard homes built for landowners at Woodlark gold project," he said. "We called up the chairman of the company and asked him to cease construction of those houses. "We demanded a revised plan to be approved by the MRA before the construction began. "About two-and-a-half years (later), I am very impressed with the resettlement exercise undertaken. "The homes are much better than what was initially built. "These are steel structures that will last for 50 years. "They have relocated almost all the households and there are 99 houses still to build. "The company also has solar power for the houses, they built toilets, and supplied water tanks. "They also supported the resettlement exercise by giving them allowances until they grow their crops."

France giving emergency payment to SLN to try to save the mining firm

Radio New Zealand, 16 January 2023



Photo: RNZ / Johnny Blades

An urgent funding boost of \$US63 million will be provided to New Caledonia's SLN to try to save the company. The so-called Urgent Progressional Plan is a short-term measure which could give enough time to formulate a long-term plan to save the company from bankruptcy with the resulting loss of thousands of jobs. A financial inspection from the Ministry of Finance will be sent to check if the urgent funds are being used to save the company. The Noumea-based mining company has been experiencing serious financial difficulties due to fluctuating global prices of nickel and a lack of investment in company infrastructure. Its survival was raised by New Caledonian French Member of Parliament Philippe Dunoyer who asked whether the French government was intending to save the mining company before it goes bankrupt. "Unfortunately, with the Ukrainian conflict, the costs of energy have become harsh, a killing sword for the society."



New Caledonia's Budget Minister Philippe Dunoyer Photo: AFP

French Overseas Minister Jean-Francois Carencu told the French National Assembly that he is in contact with local authorities and other parties involved to come up with a short-term solution. "To work on it, the government is currently in contact with local authorities to scrutinise not only the situation of SLN but the whole nickel industry in New Caledonia." Carencu said energy, exportation, and production are areas that should be worked on. He also said there is the possibility of a recovery plan, however, the situation remains fragile and choices need to be made. The president of New Caledonia's Southern Province Sonia Backes said in November she expects the French government to come to the rescue of SLN. She said if the government doesn't write out a cheque, SLN will close this month, which she said is not acceptable for anyone. SLN is New Caledonia's largest company, employing about 2000 people directly and a further 8,000 indirectly. Backes [said last year](#) that bankruptcy of SLN would not only mean the loss of thousands of jobs but also sink New Caledonia's social welfare system.

New taxes on mineral extraction

The territory's congress hopes that stronger revenues in nickel exportations with the adoption of an exportation tax and royalties on mining extraction. Sixty percent of the royalties will go to 13 mining districts and 40 percent will feed New Caledonia's distribution budget. The exportation taxes could bring up to \$US27 million. The tax is set to affect exportations for the years 2023 to 2024.

Mining Act 1992 review

Post-Courier, January 13, 2023

The Mining Act 1992 will undergo adjustment to address sensitive areas and unclear areas like alluvial mining and exploration activities. Minister for Mining Ano Pala said this when responding to questions raised by Member for Bulolo Sam Basil Jr in Parliament yesterday in regards to the need to amend the Mining Act 1992. Mr Basil said there is a need to amend the Mining Act 1992, particularly with regards to protecting landowners rights, especially to do with alluvial mining. "If the Mining Department has not started work to amend the Mining Act 1992, does the Mining Department have any plans to push for an Alluvial Mining Act, one which will protect landowners rights over other citizens?" he asked. Mr Pala said at present the Mining Department has made appropriate changes to the law that protects landowners and under the law now, only landowners can operate alluvial gold mines. He said there are times where exploration licences have been issued to the land over those alluvial operations. "That is the area that we need to sort out. We are in the process of

introducing a Mining Amendment Act to address the sensitive areas or unclear areas like alluvial mining and exploration activities.”

South Fly to utilise K22 million for roads, hospital and school

January 13, 2023, The National

SOUTH Fly MP Sekie Agisa says the district development authority has received K5 million of the K22 million allocated by the Government to upgrade of roads in Western. “The K5 million was received end of last year,” he said. “The allocation is specifically for the upgrade of Daru town roads. “I will be checking with our Finance Department on how and when the rest of the payments will be made. Agisa further said the majority of the K22 million would be used to upgrade roads in South Fly, upgrading of the Daru General Hospital and as well as some education projects in the district.

Protect small mines: MP

January 13, 2023, The National Business



THERE is a need for the country’s alluvial mining sector to have legislations to protect the people in impacted areas, says Mining Minister Sir Ano Pala. Sir Ano said there should be specific laws to protect landowners when there was an exploration licence for a specific area by companies. He told Parliament, in response to a question from Bulolo MP Sam Basil Jnr on whether the Mining Act (1992) had been amended to cater for alluvial or small scale mining, that under the current laws, “only landowners can operate in alluvial mining” areas. “However, there are times when exploration licenses were issued on land (where there were) alluvial operations,” he said.

“I agree that there needs to be some adjustments made because only nationals can do alluvial mining. “Unfortunately, somebody can get an exploration licence over the area you have the legal right to operate alluvial mining on. “And that is the area we are trying to sort out. “We are in the process of introducing an amendment to the act to address the unclear areas in alluvial mining and exploration activities.” According to the Mineral Resources Authority, an alluvial mining lease is held by citizens for mining alluvial minerals. The citizen must be the owner of the land on which the lease falls. The area can be up to five hectares maximum and the term of the lease up to five years.

K92 operations up 22pc

January 12, 2023, The National Business



THE K92 Mining Inc says production at its mining operation in Eastern Highlands rose by 22 per cent during the fourth quarter of 2022, compared to the corresponding period in 2021. The process plant delivered record a quarterly ore processed of 121,686 tonnes or 1,323 tpd (tonnes per day) – an increase of 22 per cent from the same quarter in 2021. Chief executive officer and director John Lewins said they were pleased with the performance of the Kainantu gold mine in the fourth quarter. “Once again, Kainantu achieved multiple operational records, delivering record mill throughput, total mined material, and underground development rates,” he said. “Quarterly production was the second highest on record, with 35,538 oz (ounces) AuEq (gold equivalent) produced and on an annual basis we confidently achieved our production guidance.” He welcomed the performance of the process plant as a “major positive”.

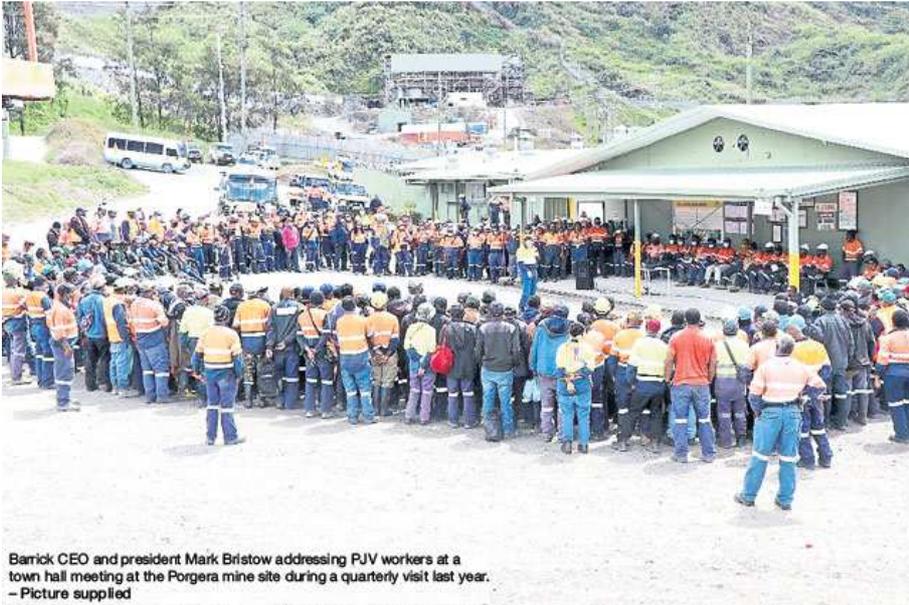
“During the quarter, another new daily throughput record of 1,714 tonnes processed was achieved and on a monthly basis, stage 2A expansion throughput rates of 1,370 tpd have already been achieved ahead of the flotation expansion, the last major upgrade of the stage 2A expansion. The flotation expansion which will double rougher capacity, is planned to be commissioned in Q1 2023, and is expected to provide a boost to not only recoveries but also plant flexibility, with the potential to ultimately exceed the stage 2A expansion run-rate. “In the mine, Kainantu delivered record material mined of 287 kt (karat) and record development advance of 2,221 metres, representing a 28 per cent and 45 per cent increase from final quarter in 2021, respectively. On 2023, “we have tremendous excitement about our exploration programmes”. “The number of drills will be ramping up from 11 to 13 and our focus is on resource growth.”

Miner explains rehiring of workforce

January 9, 2023, The National Business

BARRICK Niugini Limited (BNL) says the Porgera mine remains in care and maintenance and the current limited rehiring of a skilled workforce is only to assist with ongoing maintenance work. The company explained this after a protest in Porgera on Friday over claims the company’s current recruitment process had overlooked unemployed locals from the special mining lease area. The company rejected the claims in a statement. “Since the mine was placed into care and maintenance in April 2020, BNL has invested more than one billion kina in good faith in the hope and expectation

that the various contractual and regulatory conditions for the reopening of the Porgera mine can be satisfied to allow for the restart to occur,” the company said.



“While those conditions have not yet been satisfied, in preparation for a restart BNL has approved limited maintenance work on plant infrastructure, repair of mobile equipment, and rehabilitation work on the open pit and underground areas. “The ongoing maintenance at site requires highly skilled and experienced personnel to ensure operational readiness is maintained.” The company said its recruitment policy was transparent and based on best industry practices and gave first preference to skilled and experienced workers with a good track record who were based in Porgera. However, due to the limited pool of local workers that met the necessary requirements for the current ongoing work BNL has had to rehire a small number of skilled workers from outside Porgera, but within Enga and Papua New Guinea.

These workers are on short-term contracts. “BNL is aware that certain individuals have been creating false expectations of employment for unskilled Porgera youth and spreading baseless claims of inappropriate hiring practices by BNL.” The company said no evidence had been put forward by those making these claims. “BNL will always seek to recruit first locally as it is the best business option for new Porgera and in our interest to do so. The current maintenance work, however, requires specific skillsets so that safety and other requirements are properly complied with.” The company said once the mine restarted operations, new Porgera would recommence the historically successful job ready programme (JRP) for the benefit of local youth.

Porgera mine closure impacting women, services: President

January 9, 2023, The National Business

ABOUT 6,000 women who have been benefiting from the Porgera mine in Enga are now struggling to fend for their families following closure of the mine three years ago. Porgera District Women’s Association (PDWA) president Serah Erasi highlighted this during a recent interview. PDWA is an association of 6,000 women,” Erasi said. “They are from Porgera Paiela, Ewa, Strickland, Mt Kare, Tipinini and Loa. “All our work has ceased because our contracts are usually from Porgera Joint Venture. “We’ve had contracts like cleaning, and all that. “So when the mine ceased operating, all our activities also stopped and our women have struggled since.

“Ipili Investment, which is our company, has stopped operating, when the mine ceased. “The little

that we got was put towards salaries.” Porgera Women in Business president Elizabeth Iarume raised similar concerns. “Services in Porgera valley are closed. “Basic services like health, education, banking services and other public services that we are supposed to be accessing. “Those services are still closed due to law and order issues. “People are no longer carrying on with the sort of lifestyle that they used to before. “We have started a new year and the school year will begin shortly. “Our children need to go back to school. “Public servants must resume work in Porgera.



“National and provincial governments are talking about the reopening of the mine. “But are they concerned about the welfare of the people and the situation we are in right now? “We have people with money traveling to Mt Hagen or Wabag to access banking services and they get held up along the highway. “Pregnant women are traveling out to seek medical help and they sometimes deliver their babies along the way or even die. “Our children are turned away when they try to access education services outside Porgera. “We would like to make an appeal to respective governments to get the services back up and running. “Public services should return, businesses should reopen.”

Mining lease agreement yet to be confirmed

January 3, 2023, The National

THE K18.5 billion gold-copper Wafi-Golpu project’s special mining lease (SML) agreement will still proceed and the signing will be done early this year, Morobe Governor Luther Wenge says. The SML signing was supposed to have taken place two weeks ago, but did not eventuate and Wenge said: “The mining will go on and the deep sea tailing placement (DSTP) method will still be used.” Wenge said the province was expected to see development changes from this year. He made the statement based on the Wafi-Golpu project, Nadzab redevelopment, Vocopoint fisheries hub development, Nadzab township and other major developments in the city.

He said the negotiation process was done by the provincial government and Wafi-Golpu project regarding the construction of a small airstrip at the precinct of the mining area. “Doing so, women in the rural areas can supply and sell excess goods to people at the mine,” he said. Wenge emphasised that the newly-launched rural aviation organisation had arrived through a joint venture with Niugini Aviation. “Choppers will be the main mode of transport for mothers in the rural areas to transport their products through to the urban markets,” he said. “The Morobe government will try its best to deliver better transport.” He said services like health and educational materials would be delivered along with other things.

Govt urged to identify principal landowner

January 3, 2023, The National

A LANDOWNER group wants the Government to speed the process of identifying the principal landowner before the Wafi-Golpu Mining project kicks off. Pesam clan, of Patep in Bulolo's Mumeng, from the Hengambu landowners association, said the Government must complete the land titles commission process and identify a clan as principal landowner of special mining lease (SML 10). Chairman Malaka Taikeka said: "The land has its owners, people and environment. We all have customs, traditions and beliefs. "We have history and the incorporated land group (ILG) so fast-track the process and let all claimants know who the real principal landowner clan is. "We have high expectations to be benefitting from the mine."

Taikeka said the Government should prioritise and ensure relevant legislations were followed to identify the principal landowner clan, so there was credibility to all claimants. "Pesam clan is only a claimant raising an important point that relevant Government agencies should give priority to, before the mine went into full operation," he said. "We believe that all state agencies like Mineral Resources Authority (MRA), state negotiating and ILG taskforce teams have played their part in providing claimants' documents for screening purposes. "This will allow a smooth exercise by officers (state agencies) to finalise and publish legitimate PLO clan of SML 10 in Golpu."